Trade and Industry

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Trade and Industry

23/30 December 1977

News from the Departments of Industry·Trade·Prices & Consumer Protection

In addition to our regular features designed to keep industrial management – in its many forms – fully informed of official facts, figures and thinking, we publish this week another market report on France and the index for July-September.

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Because of increased production and distribution costs, the cover price of 'Trade and Industry' will increase to 40p from the issue dated 6 January 1978. The annual subscription, including postage, will be £30.60. It is hoped to hold these prices steady during 1978.

Trade and Industry this week

EUROPE

MFA to be renewed by EEC

EEC ministers meeting in Brussels on Tuesday (20 December) agreed that the European community should renew the multi-fibre arrangement (MFA). Ministers also approved the terms of the bilateral agreements negotiated with 31 supplier countries. The community's application of the MFA to these countries is dependent on the signature of these agreements.

Edmund Dell, Secretary of State for Trade, said in Brussels at the conclusion of the meeting that the British textile industry would receive a far greater measure of protection from the new MFA for the next five years than had been possible in the past.

He said, 'We have obtained very tight restrictions on more than 20 sensitive products representing about 75 per cent of UK imports and satisfactory restraints on effectively all other sensitive products. We have also obtained effective trigger mechanisms which will prevent any new products now unrestricted from swamping UK markets. I believe this new MFA will prove an historic turning point in the fortunes of the UK textile and clothing industries.'

Mr Dell said the new MFA offered eight important advantages over the old one: global coverage for the eight most sensitive products; growth rates for imports which varied inversely to market penetration instead of a flat 6 per cent increase every year; much more comprehensive coverage, ie overall about 98 per cent of UK imports; much more realistic base levels; no carryover of the unused 1977 quotas into 1978; automatic trigger mechanisms; new categorivation of products; and stricter monitoring of imports by all EEC members.

Measures to end steel market disruption

Proposals to bring to an end by 1 January the disruption of the EEC steel market by imports from third countries were adopted by the EEC council of ministers in Brussels on Monday.

Following on the OECD declaration on steel, the proposals say that all countries exporting steel to the EEC should conclude bilateral agreements with the community covering prices as well as tonnage and involving undertakings related to the community's existing guide and minimum prices. At the same time there will be assurances by the community regarding maintenance of traditional trade flows by reference to 1976 and in the light of the possible drop in consumption forecast for 1978.

On 1 January and until the conclusion of bilateral agreements, which should be made before the end of the first quarter, a new system will operate. Under this system, which is in conformity with the provisions of Gatt on dumping, a base price which represents the lowest production costs in the exporting countries where normal conditions of competition prevail, will be published in the *Official Journal of the European Communities*. It will be obligatory for the delivery price to be specified in surveillance import licenses.

National customs administrations will determine on behalf of the commission the margin found to exist between the published base price and the declared delivery price and the commission will immediately impose compensatory provisional charges.

To enable the system to become fully effective by 1 January, surveillance licenses which have not been used by 20 December will be cancelled and new applications will therefore have to be made.

Regional fund grant to aid 10 UK projects

Latest allocations from the European regional development fund, announced on Wednesday (21 December), bring the total contribution granted since 1975 towards the cost of projects in the UK to £150.37 million – the maximum allowed to the UK under the fund regulation.

This new allocation includes contributions towards the cost of national aids to 10 industrial and service industry projects in England.

Further details of the allocation will be published in a later issue of *Trade and Industry*.

OVERSEAS

ECGD tops $500 m in foreign currency financing

The Exports Credits Guarantee Department announced on 19 December that it has guaranteed two loan agreements, bringing the total dollar finance provided under the ECGD foreign currency financing scheme to over $500 million. Further loans approaching $4,000 million and 109 million deutschemarks are in active negotiation.

Under these agreements ECGD has guaranteed the repayment and funding for two loans to La Societe Nationale Sonatrach, Algiers. One loan of $9.2 million has been arranged by Hill Samuel and Co Ltd acting on behalf of Lloyds Bank International Ltd and Midland Bank Ltd. The other loan of $76 million has been arranged by Lloyds Bank International acting on its own behalf and on behalf of the Bank of America and Manufacturers Hanover Trust Co.

The loan arranged by Hill Samuel will help finance a contract awarded by Sonatrach to Pritchard Rhodes Ltd for extra costs incurred on the 'Skikda 4' natural gas liquefaction project in Algeria. The loan arranged by Lloyds Bank International will help finance completion of the 'Skikda 5 and 6' projects by Pullman Kellogg Ltd.

HOME

Assistance interest rates increased

The maximum rate of interest relief grant and interest rates for loans under section 7 of the Industry Act 1972 have been increased, with effect from 19 December.

The rate of interest relief grant available in those cases where it would be appropriate to allow the equivalent of an interest-free period on a Department of Industry loan, but where firms obtain their finance from other sources, is being increased from 10 per cent to 10½ per cent for each interest-free year.

The 'concessionary' rate of interest on loans for employment-creating projects (category A) is increased from 7 to 7½ per cent. The 'broadly commercial' rate of interest on loans for modernisation projects not providing additional employment (category B) is increased from 10 per cent to 10½ per cent.

Fee rise for HGV driving tests

William Rodgers, Secretary of State for Transport, is consulting interested organisations about the making of new regulations which would increase the fee for an appointment for the two-hour driving test for heavy goods vehicles from £24 to £33.50 from 1 March 1978.

Mr Rodgers explained that the fee had to recover the full cost of the test. The present

fee of £24 was based on an estimate of receipts and costs made in March 1976, but since then costs had increased. The proposed fee was designed to make the system self-supporting for 1978-79.

Sir Monty Finniston (foreground) with the members of the committee of inquiry into the engineering profession after their first meeting in London on 20 December. Sir Monty, chairman of the committee, said that he welcomed evidence from individuals and organisations in the form of written submissions by the end of February 1978. It was then hoped to follow up much of the written evidence with oral hearings to be held in the spring or summer of next year. A series of 16 regional meetings had been organised by the Council of Engineering Institutions to sponsor a national debate on the issues being considered by the committee. See page 625.

STATISTICS

Rise in capital expenditure confirmed

Revised figures released yesterday confirm that the increases in capital expenditure by both manufacturing industry and the distributive and service industries (excluding shipping) in the third quarter of 1977 were greater than any rise since the end of 1973 and beginning of 1974. Totals (at 1970 prices, seasonally adjusted) were £455 million and £528 million respectively.

The fall in stocks by manufacturers, wholesalers and retailers in the third quarter is now estimated at about £80 million at 1970 prices, seasonally adjusted, compared with the provisional estimate of £110 million. This follows a rise of almost £200 million in the second quarter. For manufacturing industry alone, the third quarter fall was £45 million.

Slight increase in economic activity

Economic activity increased by about 1 per cent in the third quarter, according to the latest output measure of gross domestic product published by the Central Statistical Office on Monday.

The rise made up for the fall in the previous quarter, and there has been little change in the GDP level for the past year. Manufacturing output was down slightly in the third quarter, but, with a good harvest, agricultural output was up substantially, and a smaller gain was made by the distributive trades.

Small fall in GDP

Between the six months up to the end of September, and the previous six months, GDP was down slightly. The average estimate puts this fall at about ½ per cent. With government current expenditure little changed, the effects of the more rapid growth of exports than imports was more than offset by small falls in consumers' expenditure and fixed investment, and a sharp turnround in stockbuilding.

Fewer unemployed

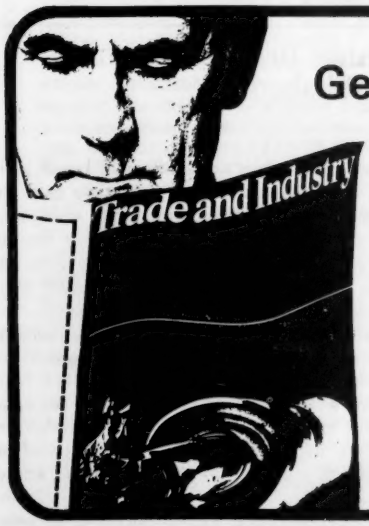
Unemployed persons in Great Britain on 8 December numbered 1 419 726 (6.1 per cent of total employees), including 54 345 school-leavers under 18 not yet employed. There were 18 237 (0.1 per cent) fewer unemployed than a month earlier.

Provisional unemployment and vacancy figures were released by the Department of Employment on Tuesday.

Excluding school-leavers

The seasonally adjusted series shows that the number of unemployed in Great Britain excluding the school-leavers was 1 370 800 (5.9 per cent of all employees), a decrease of 5700 since 10 November. In the last three months there has been a decrease on average of 6000 a month.

It is estimated that of the total unemployed in Great Britain 200 000 had been unemployed for four weeks or less. It is estimated that about 1 097 000 were unemployed for more than four weeks, and were aged under 60.



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Home news

Wilson committee places small firms financing among major topics

If there are problems in the supply of finance to industry they are likely to be found in the small firms sector. The difficulties of small firms were referred to in over half the papers received, says the committee to review the functioning of financial institutions in its progress report[1] published on 15 December.

Sir Harold Wilson's committee lists the main issues which have emerged from its initial inquiry into the financing of industry and trade. They will be the following topics, on which the committee will concentrate in the remaining part of the first stage of its inquiry, due to be completed in the spring of next year.

Small firms

Four main areas of interest arise on the subject of financing of small firms:

- the availability of venture capital for new projects, particularly in the area of high-risk technology;
- the availability and cost of loan finance for small companies, including the banks' requirements for security and the question of government guarantees or interest-rate subsidies for this type of lending;
- the availability of equity finance to smaller and medium-sized companies, the merits of a stock market quotation, and the case for developing over-the-counter or other markets in unlisted securities;
- the availability of information about financial facilities for small businessses, and of professional advice in preparing requests for loans.

Company financing and investment

The committee will look at the reasons for the low demand in the UK for manufacturing investment capital, including the effects of low capital/output ratios of existing investment; the criteria for investment by UK industry, and the effects of interest rates and other capital market conditions on such investment; attitudes to gearing ratios; the effects of inflation on profits, cash flow and investment; inflation-accounting; and the effects of overseas investment by UK industry.

Availability of finance

The extent, if any, to which industrial activity or expansion has been constrained by shortage of finance will be examined; whether sufficient finance will be available on acceptable terms to meet the increase needed in the amount of manufacturing investment; and whether savings will be adequate for investment needs.

Government policies

The industrial strategy; the priority given by the government's financial policies to private industry as against other claimants for funds such as building societies and the public sector; the effects of taxation policies, dividend and price control on the amount of savings and the flow of funds to industry; and the effects of investment incentives will be considered.

Bank lending

Alternative approaches to bank lending to industry will be explored; the availability of medium-term loans; and the question of an official refinancing facility for medium-term lending.

Long-term loans

The scope for reviving the market in long-term industrial loan stocks; the merits of variable-rate and indexed bonds; the role of foreign currency lending will be looked at.

Institutional investment

The committee will review the roles and investment criteria of private and public sector institutions; the growth in insurance and pension funds, and what it implies for the functioning of the stock market and for the way in which capital is supplied to industry; involvement by institutional investors in the companies they invest in; the future of pension funding; and the arguments for and against greater intervention in, or guidance to, the investment policies of institutional funds.

North Sea oil

The committee sees North Sea oil revenues as providing an easing of the restraints that the balance of payments has placed on industrial growth and modernisation. It will be looking at:

- the influence of the benefits of North Sea oil in the private and public sectors on the availability of resources for investment;
- the scale of investment financing required by the government's industrial strategy and whether sufficient funds on acceptable terms are likely to be forthcoming;
- whether investment and the associated savings will be forthcoming using existing institutions or whether changes will be required.

The financing of industry and trade will remain an important aspect of stage two of its inquiry, says the committee. Due to start in the first half of 1978, stage two will include an examination of the wider aspects of the functioning of the financial institutions; their regulation and supervision; the part to be played by the public sector; and comparisons with overseas financial centres.

[1]Committee to Review the Functioning of Financial Institutions: Progress report. Available from HMSO price 90p.

Single-figure inflation in sight – Hattersley

Figures published on 16 December giving the annual inflation rate measured in November show that inflation was down to 13 per cent last month, a month earlier than was forecast. Secretary of State for Prices and Consumer Protection Roy Hattersley said that the year-end figure was expected to be lower, and that single figures were expected early next year.

The figures showed that the government had hit its first target in the fight to reduce inflation, he said. 'We said at the time of the spring budget that the annual rate of inflation would be down to 12-13 per cent by the end of the year.'

Mr Hattersley pointed out that the figures took in the difficult months at the start of 1977, when prices were still rising fast because of the fall of the pound in 1976. 'Now we are getting the full benefit in prices of the wage restraint in stage two, the most recent figures show that we are doing better than the annual figures suggest.

On a six-month basis, he went on, inflation in the United Kingdom was now in line with that of the major industrial countries. Over the six months to October, the average rate of inflation in OECD countries was 3.5 per cent, while Britain's rate of inflation over the same six months was 3.4 per cent.

See also the Chancellor of Exchequer's letter to the International Monetary Fund (opposite).

Inner urban areas bill published

The inner urban areas bill, which will give increased powers to local authorities to assist industry and regenerate inner city areas, was published on 15 December. Where special social need exists in any inner urban area, the bill provides that the secretary of state may specify that area as a 'designate district'.

Under the terms of the bill the authorities for that area will then have the powers to: make loans at commercial rates for land purchase and works on land of up to 90 per cent of the value of the land and buildings whether or not the authority owns the land; and to establish industrial improvement areas where local authorities may give grants or loans for environmental improvements or to con-

Decisive turn in pace of inflation, Healey tells IMF

Moderation of pay settlements, plus an improvement in the UK's terms of trade and the pursuit of firm financial policies, has led to a marked slowing-down in the growth of retail prices. In a letter to the managing director of the International Monetary Fund on 14 December, Chancellor of the Exchequer Denis Healey described the major improvements in the UK's economic situation during the last 12 months and looked at prospects for the coming year. The text is published below.

In my letter of 15 December 1976, I described the programme adopted by the United Kingdom to strengthen the balance of payments over a three-year period, to create the conditions for a reduction in the high rates of inflation then prevailing, and to provide a basis for sustainable growth in output, employment, and living standards. During the first year of our stabilisation programme the confidence of the financial markets has returned, the external payments position has strengthened markedly and a decisive turn in the pace of inflation has been achieved.

The maintenance of the social contract with the trade union movement, which kept the growth of average earnings to 8 per cent in the year ending July 1977, has been crucial to this success. The moderation of pay settlements, together with an improvement in our terms of trade and the pursuit of firm financial policies, has led to a marked slowing-down in the growth of retail prices. The year-on-year rate of increase had already fallen from 17.7 per cent in June to 14.1 per cent in mid-October, and since the spring the underlying rate has been well below the annual rate. This justifies the expectation that the annual increase will fall below 10 per cent by the middle of 1978.

The successful application of the system of cash limits and the use of the contingency reserve as a means of keeping expenditure within the published plans have helped to establish firm control over public spending. The ratio of public expenditure to national income has been reduced. Combined with buoyant revenues and a steady improvement of the finances of the public enterprise sector, this has helped to provide room for further tax reliefs, increased social benefits and assistance to the construction industry.

The return of confidence in sterling produced massive inflows of capital which have increased our foreign reserves to over $20 billion by the end of November. These inflows inevitably injected additional liquidity into the economy while exerting persistent upward pressure on the exchange rate. In presenting the 1977-78 budget I stated the government's intention of keeping domestic credit expansion (DCE) in 1977-78 well within the limit of £7.7 billion set out in my letter of 15 December 1976 and of maintaining control of the growth of the money supply. The growth of sterling M3 in 1977-78 was forecast as being in the range 9 to 13 per cent. In recent months, the inflow of overseas funds was reaching the stage at which it was putting the control of the money supply at risk. The government accordingly felt it necessary to change its intervention tactics in the exchange market in order to remove that risk and to maintain the counter-inflationary thrust of its monetary policies. Following this change short-term interest rates adjusted to a level appropriate to my domestic monetary objectives. The government remains convinced of the need to provide a stable framework of financial policy on which to build an enduring recovery of the economy in the next year and beyond.

These major improvements in the economic situation during 1977 have not, as yet, been accompanied by a resumption of significant economic growth. The fiscal measures announced in October 1977 were designed to strengthen the forces of recovery. Provided earnings can be held within the government's objectives, growth of about 3½ per cent per annum should be attainable between the second half of 1977 and the second half of 1978 and should be consistent with achieving a significant current account surplus in both 1977-78 and 1978-79. The benefits of North Sea oil will create the conditions in which it should be possible to maintain a surplus on the current account for a number of years. This will be needed to help meet the United Kingdom's external debt repayment obligations and to contribute to the financing of structural capital flows including those arising from export credit.

The scope for stimulating the economy further will depend to an important extent on the competitive performance of British industry and on the movement of costs and prices. The industrial strategy is intended to achieve a marked improvement in the trading performance of British industry at home and overseas. Measures to improve productivity, raise investment and encourage retraining are important and continuing aspects of government policy, and they have the support of management and unions. We have however to take account of past increases in domestic costs higher than those of most other industrial countries and of the recent appreciation of sterling. Large improvements in performance cannot be achieved quickly and the burden of protecting the United Kingdom's competitiveness and thus employment will continue to fall squarely on the containment of domestic costs. We have therefore striven, in close consultation with the Trades Union Congress and the Confederation of British Industry, to contain the growth of average earnings within limits which will secure the deceleration of inflation to single figures by the middle of next year and thereafter progressively approach the price performance of our competititors in world markets. We shall now be building on the successes so far achieved in countering inflation, and co-operating with our social partners over the next years in order to ensure an increase in employment and a rise in living standards. This is the only way in which we can, by our own efforts, bring about a significant and sustained reduction in our present unacceptably high level of unemployment.

In its approach to the exchange rate, the government will follow a flexible policy, with the objectives of avoiding disruptive fluctuations in the rate, maintaining monetary guidelines and preserving the competitive position of British industry. In other policies which affect the exchange rate the government will take account of these objectives.

The government is determined to continue its firm control of public spending, and the counter-inflationary thrust of its monetary policies. It will maintain orderly conditions in financial markets. These will require both control over the money supply and moderation in DCE. DCE for the financial year so far has been well below the level which I originally envisaged: this has been associated with the substantial inflows of overseas funds. This situation has ended with the change of exchange market tactics and I expect DCE to come back nearer to the levels envisaged earlier, and possibly to make up some of the earlier shortfall. Nevertheless, I expect DCE in 1977-78 and the first quarter of 1978-79 together to be within the total of £7.7 billion earlier envisaged for 1977-78 alone. In addition, I expect the public sector borrowing requirement for 1978-79 not to exceed the figure of £8.6 billion referred to in paragraph 14 of my letter of 15 December 1976. I shall take account of these considerations in deciding whether the prospects for the economy, and particularly for wage settlements and prices, make it possible for me to give a stimulus to the economy in my budget for 1978-79. During next May on the occasion of the normal article VIII consultation I expect to review policies further with the fund for the final period of the standby, which expires on 2 January 1979 unless the government decides before that date that continuation of the standby is no longer necessary.

The government reiterates its intentions expressed in paragraph 24 of my letter of 15 December 1976 and, in particular, its firm opposition to generalised restrictions on trade, and does not intend to introduce restrictions on imports for balance of payments reasons. The government has stated that it is prepared, in current economic circumstances, to consider the further use of temporary selective measures where particular industries which are viable in the long term are suffering serious injury as a result of increased imports. It remains the government's intention to reduce such selective measures as exist as soon as circumstances permit.

The United Kingdom is determined to make its fullest contribution to the expansion of world trade. But its capacity to do so will depend on how fast other countries expand and on their willingness to maintain open markets and non-discriminatory trading arrangements.

vert buildings to provide new employment opportunities. It is thought that expenditure on loans and grants will not exceed £25 million annually.

Where special social need exists and it is such that a concerted effort should be made to alleviate it the secretary of state may enter into arrangements with 'designated district authorities' and will be able to specify parts of those districts as 'special areas'. These authorities, as well as being able to exercise the above powers, will have the following additional powers, which are to give grants towards rents to assist firms taking leases of premises not owned by the local authority; and to make loans, interest-free for up to two years, to assist with bringing inner city sites back into use.

Designated district authorities will have the power, under the bill, to adopt local plans in advance of the structure plan being approved, provided that the local plan is in general conformity with the draft structure plan (clause7).

The bill also amends the Local Employment Act 1972 to enable 100 per cent grants for derelict land clearance to be paid within the GLC area.

NFFC publishes annual report

An increase in the National Film Finance Corporation's deficit of £7,718,162 to £8,121,951 was the effect of the corporation's operations for the year ended 31 March 1977.

This is one of the results set out in the corporation's *Annual Report and Statement of Accounts* which was published on 14 December.

National Film Finance Corporation Annual Report and Statement of Accounts for the year ended 31 March 1977 (Cmnd 7048), HMSO, price 45p.

North Sea expenditure estimated at £8 billion

New estimates of North Sea expenditure were given on 9 December by Dr J. Dickson Mabon, Minister of State for Energy. A further £8 billion is expected to be spent over the next three years. This follows expenditure of around £2½ billion this year on exploration and development related to UK offshore oil and gas. The whole North Sea programme between 1972 and 1985 could amount to as much as £25 billion.

Dr Mabon pointed out that this was all very big money; and there were some very big profits to be made also. He hoped and expected that the oil companies would be ploughing back some of their profits into Britain. He was speaking during a lunch in Aberdeen to mark the inauguration of the Occidental North Sea Group's Claymore oil field.

Dr Mabon added that energy investment, as a whole, was expected to be about 3 per cent of GDP in the years up to the end of 1980 and oil and gas would account for one-half of that.

Oil terminal under construction in Shetland Isles

An aerial view of the Sullom Voe terminal under construction in the Shetland Islands. The picture shows the liquefied petroleum gas storage and effluent treatment areas, with the tanker-loading jetties and ballast water-storage tanks in the distance. A team of project and planning engineers from W. S. Atkins and Partners, the Epsom-based planning, engineering and management consultancy, has been working with BP Petroleum Development Ltd on a number of tasks concerned with the construction of this oil terminal. Costing some £500 million to develop, it is one of the largest construction projects in the UK. When completed (in the early 1980s) this complex will receive oil from a number of northern North Sea fields and supply stabilised crude and liquefied petroleum gas.

Les Huckfield promotes energy-saving schemes

Les Huckfield (left), Parliamentary Under-Secretary of State for Industry, opened a two-day progress seminar on the industrial energy thrift scheme and the energy audit scheme in Newcastle upon Tyne on 13 December. He explains the schemes to the Lord Mayor of Newcastle, Councillor Tom Collins.

Exhibition industry plans its future organisation

Recognition of the significant contribution the exhibition industry is making to Britain's balance of payments was given by Edmund Dell, Secretary of State for Trade, in a message to a meeting of all branches of the industry held on 8 December to discuss plans for the future organisation of the industry.

At the meeting the chairman explained that the recently formed working party, which had held five meetings, had felt it necessary to hold a general meeting to consider the desirability of setting up a new body serviced by an executive bureau to look into the problems of the industry as a whole while leaving existing organisations free to pursue their present activities. It was unanimously decided that the new body should be set up and that it would produce detailed recommendations within three months.

In the message, read out by chairman Ken Green of BOTB's Fairs and Promotions Branch, Mr Dell said that the industry contributed not only through giving British exporters a shop window to the world but through the substantial foreign currency it earned through attracting overseas exhibitors and visitors in increasing numbers. He welcomed the initiative of the many interests in the industry in coming together to consider closer co-ordination of promotional and other activities.

Advertisements for 'Trade and Industry'

All advertisement inquiries and bookings should be addressed to our advertisement department, at 13 Great James Street, London WC1, telephone 01-242 9478.

WDA to build more factories

Plans for a further 22 units were announced on 13 December by the Welsh Development Agency, which is already building advance factories at a rate of two a week over the next 18 months. They bring to 173 the total number of new advance factories announced by the agency in the last eight months.

The WDA's third programme for building advance factories, which has been approved by the Secretary of State for Wales, is being concentrated in industrial areas where there are especially serious problems of unemployment and redundancy. About 75 per cent of the factory space that will be created in the third programme will be in larger units of 2300 m². Some smaller units are also being provided for locations not included in earlier construction programmes.

The size and location of the units are as follows:

County and district	Location	Proposed units
CLWYD		
Alyn and Deeside	Deeside Park	1 × 2300 m²
DYFED		
Llanelli	Hendy	1 × 930 m²
	Burry Port	4 × 280 m²
GWENT		
Blaenau Gwent	Brynmawr	8 × 140 m²
MID GLAMORGAN		
Cynon Valley	Hirwaun Estate	1 × 2300 m²
Rhymney Valley	Pontlottyn	1 × 2300 m²
	Penallta	4 × 280 m²
Rhondda	Abergorki	1 × 2300 m²
WEST GLAMORGAN		
Neath	To be decided	1 × 2300 m²

WDA mission returns with US investment prospect

Ian Gray, managing director of the Welsh Development Agency, returned on 9 December from a 12-day investment mission to the United States with the names of at least four companies that had definite projects which they could decide to locate in Wales. He had found that Wales had a good image among United States industrialists as a place for investment.

Another four companies had expansion plans which offered distinct possibilities for Wales, although more discussions had still to take place. In addition seven companies were interested in acquiring existing businesses in Wales for development or in taking part in joint-venture manufacturing projects.

Mr Gray, with Barry Powell, an executive director of the agency, made a round of business calls on some 30 industrial corporations in New York, the Cleveland area, and Chicago. Some of the companies they visited already had subsidiaries based in Wales.

'The image of Britain as a whole is exceptionally good,' he said on his return. 'I was last in the United States just over two years ago and at that time everyone I met was feeling sad and sorry about Britain's economic plight. This time they were much more optimistic about Britain's future, and they made it clear that in considering industrial investment in Europe, the United Kingdom now had a priority place.'

Work starts on units in Liverpool, . . .

Work is about to start on the construction of seven advance terrace unit factories for the Department of Industry on the department's new site in King Edward Street, Liverpool. Four of these factories are of 945 m² each, and are capable of division into three smaller units. Two are of 1900 m² each and are also divisible into three units. The other factory is about 630 m² and can be divided into two units. The premises will be ready for occupation in April 1979.

Inquiries regarding lease should be addressed to Mr P. R. Davidson, Department of Industry, North West Region, Sunley Building, Piccadilly Plaza, Manchester M1 4BA, tel. 061-236 2171, ext. 646.

. . . more factories for Bromborough . . .

Work has started on the construction of seven advance factories for the Department of Industry on the department's Bromborough Industrial Estate, New Chester Road, Bromborough, Wirral. Two of these units are of 2250 m² each, three are of 1350 m² each, and the other two are of 900 m² each. The premises will be ready for occupation during December 1978.

Inquiries regarding lease should be addressed to Mr P. R. Davidson, Department of Industry, North West Region, Sunley Building, Piccadilly Plaza, Manchester M1 4BA, tel. 061-236 2171, ext. 646.

. . . and Knowsley unit occupied

Noonday Graphics UK Ltd, is occupying terrace unit premises of about 250 m² built by the English Industrial Estates Corporation on the Department of Industry's Knowsley Industrial Estate, Merseyside.

Noonday Graphics, a London-based company, represents Ira Roberts Inc, a leading publisher of contemporary graphics, in the UK and EEC countries. The company markets aluminium framed graphics, signed limited editions, shrink wrapped pictures, blockmounts and frame kits for the d-i-y market. The company has chosen Knowsley as a packaging and distribution centre because it needed a central location in the UK with nearby port facilities and good access to the main arterial roadways. A total of 20 people is expected to be employed over the next few years when the unit is fully operational.

Anne Mueller to be region head

The Prime Minister, with the agreement of the Secretary of State for Industry, has approved the promotion of Anne Mueller to be a deputy secretary of the Department of Industry. Miss Mueller will succeed with immediate effect Mr R. Prosser and will be in charge of regional industrial policies and of the regional organisation of the department. She will also have charge of small firms division which is responsible for ensuring that the interests of small firms are taken into account in the formulation of government policies.

Leaflet on price display in hotels issued

A leaflet now being issued to Britain's 70 000 hotels and guest houses explains the forthcoming statutory requirement to display prices for accommodation. The leaflet, *Sleeping Accommodation – Price Display*, explains that, from 1 February 1978, establishments with more than four bedrooms or eight beds which offer accommodation to paying guests who have not booked in advance, will be required by law to display prominently maximum and minimum prices for overnight accommodation.

Adequate information about prices

In conjunction with the voluntary code of booking practice introduced earlier this year by the hotel industry, the order will ensure that tourists and others can discover adequate information about prices before taking up accommodation. Such information is expected more and more by the increasing number of overseas visitors and by people with experience of price display abroad.

The leaflets are being distributed through the English, Scottish and Welsh tourist boards, and by the Highlands and Islands Development Board. Further copies of the leaflet are available from regional tourist boards.

Board proposes timetable for metrication in retailing

Proposals for completing the metric changes in retailing have been submitted to the Department of Prices and Consumer Protection by the Metrication Board. The department has begun formal consultations on the proposals with organisations representing all interested parties.

The proposals are firstly that metric changes would be completed in retailing of fabrics and floor covering in July 1978; secondly of the main weighed-out foods (including random weight prepacks), retail sales of fresh meat, poultry and fish would change to metric in the first six months of 1981; meat products, groceries, dairy products etc in the following three months; and fresh fruit and vegetables, by the end of 1981; and thirdly that retail sales of motor fuel would be solely in metric after the end of 1981.

Proposals are also being discussed for the metrication, within this broad time-scale, of weighed-out and measured-out do-it-yourself and hardware materials; of weighed-out confectionery; and of paraffin.

In April 1977 the Department of Prices and Consumer Protection made a report to parliament which contained a draft framework for completing the metric changes in retailing. The board submitted its proposals after comprehensive discussions with all concerned, including organisations representing consumers, retailers and manufacturers.

Parliament has already approved legislation to phase out the use of imperial weights and measures in the retailing of a range of prescribed quantity prepacked foods which include cornflakes, salt, biscuits, sugar, edible fats, tea, chocolate bars and cocoa. There are proposals to complete the metric changes for the rest of these products by 1980.

Tyre pressures go metric

The Garage Equipment Association has recommended to members that air-pressure gauges manufactured after 1 January 1978 should be calibrated in metric. The new gauges show bars instead of pounds force per square inch (psi). Gauges will be replaced as they wear out, so it could be some years before all air-pressure gauges on garage forecourts are in bars. However, the first metric gauges could appear quite early in 1978.

Car manufacturers' handbooks increasingly give recommended tyre pressures in bars and also in pounds force per square inch (psi). The bar is part of the international metric system which is being adopted in virtually every country in the world. For practical purposes the bar is the same as the kgf/cm² (kilogram force per square centimetre), a unit which is sometimes encountered in Europe.

Transport supplementary grant announced for 1978/79

Details of the 1978/79 transport supplementary grant (TSG) settlement for all counties in England were announced by Secretary of State for Transport William Rodgers on 16 December in the commons.

Commenting on the settlement, he said that this year's TSG total of £219 million for England compared with £232 million decided in the 1977/78 settlement (both figures at November 1976 prices). This reduction in grant, and the comparable reduction in the approved level of the expenditure which attracted it, reflected the necessary cutback in the overall resources available for transport dictated by the general need to save public expenditure.

In arriving at the settlement for each county, Mr Rogers said he had three main objectives: first, that the total of expenditure must be kept within the public expenditure limits laid down; second, he needed to ensure that the statutory requirements for assessment of local authorities' programmes were met; and third, he was anxious that, as far as possible, counties should take account in their planning of the priorities set out in last June's transport policy white paper (cmnd. 6836), especially the need to maintain and increase financial support for rural bus services.

'I have been relatively more generous in expenditure allocations to those counties who appear to me to be observing the white paper's priorities than to those who do not.' He pointed out, however, that no county had been penalised. The basic and continuing current expenditure demands of each county would be met; and, with the help of the entire £23 million transport share of additional resources for capital work in 1978/79 – announced as part of the October construction package – it had been possible to provide for the majority of counties' most urgent capital spending plans. Allowance had also been made for transport projects which assisted inner areas, he said.

Goods vehicles operators licensing inquiry

Secretary of State for Transport William Rodgers, has announced the setting up of an independent committee to review the system of licensing of operators of goods vehicles.

In a written answer to a parliamentary question on 12 December, Mr Rodgers said that Professor C. D. Foster, at present director of the Centre for Environmental Studies, had agreed to act as committee chairman, and the other members were: Mr P. J. H. Candy; Mr A. P. Coldrick; Mr B. M. Currie; Mr C. Dehn; Sir Alexander Durie; Mr C. M. Hall; and Sir Stanley Holmes.

Under its terms of reference the committee will consider the effectiveness of the operators licensing system of road freight transport introduced by the Transport Act 1968, as amended. It will make recommendations for any changes in the system or its practical application which would improve the quality and efficiency of the road freight industry, bearing in mind government policy for the industry as recently announced in the transport policy white paper.

The committee, which is starting its work by inviting representations from interested organisations and individuals, will decide at a later stage whether to take oral evidence. Representations should be sent to the Secretary, Committee of Inquiry into Operators' Licensing, Room 102, 20 Albert Embankment, London SE1 7TJ, as quickly as possible.

GEC expands and modernises at Rugby

A general view of part of the new coil factory at Rugby of GEC Machines Ltd. Some large high-voltage coils for a hydro generator are in the foreground. The new factory, which is part of a £6 million expansion and modernisation scheme in progress at the Rugby works, has a floor area of 7 400 m², is dust free, temperature controlled and has been specifically designed for the quick and efficient production of windings for machines.

Seven organisations sign Spur initiative

Seven leading specialist and professional management organisations with a total combined membership of over 140 000, on 15 December, signed a joint statement of initiative in support of the Spur campaign. The campaign, Strategy, Performance and Utilisation of Resources, was announced in September by the British Institute of Management. It is aimed at improving overall United Kingdom performance towards the greater creation of wealth.

The declaration was drawn up by and issued on behalf of the British Institute of Management, the Centre for Interfirm Comparison, the Computing Services Association, the Institute of Marketing, the Institute of Practitioners in Work Study, Organisation and Methods, the Institute of Purchasing and Supply, and the Institution of Works Managers.

The statement explains that the seven organisations have agreed upon a joint initiative designed to improve United Kingdom industrial performance. The objectives of this campaign are firstly to create greater national prosperity by, being more effective in the management of resources; achieving a higher return on their use; and by being more competitive internationally; and secondly to demonstrate what members can do to bring this about.

Projects and activities involved in the campaign are intended to increase the awareness, the motivation and capacity for improvement of professional people, managers and specialists and, through them, of all levels of the nation's workforce. It is also the intention to increase public awareness and appreciation of the contribution that professional people are making and will continue to make to Britain's recovery, and thereby encourage more talented young people to aim for a career in manufacturing industry.

The campaign will be co-ordinated and sustained nationally and locally over a period of time, and will bring together the wide variety of specialist skills available from the members of the organisation at all levels of management in the UK. Joint ventures and linked events will include: national and regional conferences, seminars, workshops, teach-ins and other training activities; publications designed to increase the understanding of professional people and the general public on successful techniques, practices and approaches to improved performance; detailed research studies of effective practices in the use of resources (men, money and materials) to give more efficient production and sales, and thereby achieve greater competitiveness in relation to overseas producers, both within the UK and abroad.

British Productivity Council, the Institute of Measurement and Control, and the Institution of Production Engineers, whilst not signing the joint statement of initiative, remain associated with Spur and have declared their continued support for the agreed objectives. They will continue to take part in discussions on the Spur programme.

Bankruptcy records for England and Wales

Details of bankruptcies in England and Wales are maintained in a public search room at Room 901, Thomas More Building, Royal Courts of Justice, Strand, London WC2A 2JY.

Searches can be made personally or by an agent and a fee of 25p in respect of each bankruptcy inquiry is payable at the time.

Members of engineering inquiry appointed

Eric Varley, Secretary of State for Industry, announced the membership of the committee of inquiry into the engineering profession on 14 December. The people who have agreed to serve on the committee are as follows:

Miss Catherine Avent, careers guidance inspector, Inner London Education Authority
William Buckley, principal, Warrington Technical College
Tom Crispin, secretary, Engineering and Power Trades Group, Transport and General Workers Union
Herbert Darnell, director of engineering, British Steel Corporation
James Dawes, lately divisional controller, Rolls-Royce Ltd
Dr Joseph Dickenson, director, North Staffordshire Polytechnic
Professor John Horlock, vice-chancellor, University of Salford
William Howie, general manager, *New Civil Engineer*
Dr Bryan Lindley, managing director, Electrical Research Association
Maj-Gen Hugh MacDonald-Smith, director of Electrical and Mechanical Engineering, Army
William McCall, general secretary, Institution of Professional Civil Servants
Sir James Menter, principal, Queen Mary College, London University
Henry Nelson, general manager, Transmission Bearing Division, Ransome, Hoffman, Pollard Ltd
Dr John A. Powell, managing director, EMI Ltd
Mrs Elizabeth Sadler, Ove Arup Partnership
Professor David Weir, dean, Scottish Business School
Mrs Jean B. Wilson, mathematics adviser, Tayside Region

Mr Varley said that Sir Montague Finniston would chair the inquiry and that the committee's first meeting would be held on 20 December. He said that he would hope to receive its report early in 1979. The secretary to the committee was Mr M. V. Boxall, to whom all correspondence and submissions to the committee should be sent to Abell House, John Islip Street, London SW1P 4LN.

The terms of reference of the inquiry which were given by Mr Varley on 5 July are: to review for manufacturing industry, and in the light of national economic needs; firstly, the requirements of British industry for professional and technician engineers, the extent to which these needs are being met, and the use made of engineers by industry; secondly, the role of the engineering institutions in relation to the education and qualification of engineers at professional and technician level; thirdly, to review the advantages and disadvantages of statutory registration and licensing of engineers in the UK; and the arrangements in other major industrial countries, particularly in the EEC, for handling these problems, having regard to relevant comparative studies, and to make recommendations.

Ministers discuss prices and structure of brewing industry

Roy Hattersley, Secretary of State for Prices and Consumer Protection, and John Silkin, Minister of Agriculture, Fisheries and Food, met representatives of the Brewers' Society on 16 December to discuss the Price Commission report on beer[1]. Both major issues in the report, the price of beer and the structure of the brewing industry, were discussed.

The Price Commission report pointed out the frequency with which brewers increased the price of beers and the widespread complaints that this practice caused. Major brewers have been accustomed to seeking increases every three months over at least part of their range of products. It was agreed at the meeting that such frequent increases were undesirable. The government ministers pointed out that the rate of inflation was falling, and that the government saw no reason why in general prices should be raised more often than once a year. While unable to commit itself and its constituent companies to any precise period, the Brewers' Society agreed that in future there should be a longer period between successive applications for price increases.

The Price Commission report also pointed to the unusual degree of vertical and horizontal integration within the brewing industry. The barriers to competition created by the high level of concentration in the industry could be broken down by changes in a number of practices special to the industry. The areas of particular importance are the tied house system, local monoplies and brewery ownership of retail outlets. It was agreed that officials of the Department of Prices and Consumer Protection and of the Ministry of Agriculture and representatives of the Brewers' Society should examine these questions and report back on the advantages and feasibility of changing present practices.

[1] *Beer Prices and Margins* Report no 31 available from HMSO £2 net.

Marine engineer officers to be certificated

A new certificate for marine engineer officers employed in the UK Merchant Navy was announced in the House of Commons on 16 December by Stanley Clinton Davis, Parliamentary-Under Secretary of State for Companies, Aviation and Shipping. It makes provisions for ships to carry a sufficient number of certificated engineer officers and for the first time requires the smaller coasters to carry such officers from 1 September 1978.

Mr Clinton Davis said that the Merchant Shipping (Certification of Marine Engineer Officers) Regulations 1977 [1], made under

[1] 'The Merchant Shipping (Certification of Marine Engineer Officers) Regulations 1977' (SI 1977/2072), HMSO, price 35p.

section 43 of the Merchant Shipping Act 1970, would come into operation on 1 September 1981. The transitional period of almost four years was due to the far-reaching nature of the new requirements and was necessary in order to give all organisations affected sufficient time to adapt to them.

The new regulations would abolish the old 'Home trade' and 'Foreign going' categories of voyages in favour of new trading areas described as 'Near continental', 'Middle trade' and 'Unlimited operations', the definitions being such as to include operations to offshore oil exploration and production areas. For the first time, engineer officers on cargo ships trading in the near continental waters would require to be certificated. The regulations provided, however, for the issue of certificates of service which would enable an uncertificated engineer officer, who had given three years' satisfactory service in this trade, to continue in his post.

Ships would be required to carry sufficient certificated engineer officers to ensure that the engineering watch was always in the charge of an officer with a certificate of competency.

Chief engineer officers and second engineer officers of ships carrying bulk cargoes of dangerous liquid chemicals and liquefied gases would be required to have special training and experience in the handling of such cargoes.

Sail training ships of 80 gross tons and over with propulsion engines would be required to carry at least one certificated engineer officer, or otherwise satisfy the department that the engines are in the charge of competent persons.

New concept

The regulations, which embodied important changes to bring the long-standing provisions of earlier merchant shipping legislation into line with present-day requirements, represented a completely new concept and were the result of a comprehensive review which the department had made over the last six years in close consultation with employers and unions in the shipping industry. The arrangements for the certification of deck officers had been similarly reviewed and separate regulations were laid before parliament earlier this year.

Marine survey and other fees changed

Fees are being increased by the Department of Trade for the survey of radio installations and equipment on merchant ships, for registration of ships and submersible craft, certificates of service and copies of documents.

As already announced, the department is also reducing the fees for the initial survey of existing fishing vessels for the first issue of a UK fishing vessel certificate.

The new regulations, the Merchant Shipping (Fees) Regulations 1977 (SI 1977/2049, price 60p), come into force on 5 January next year and will be available from HMSO. They also consolidate but do not change any other fees in three previous fees regulations.

Price Commission to investigate ICI . . .

The Price Commission notified the Secretary of State for Prices and Consumer Protection on 8 December that it intends to investigate certain price increases of Imperial Chemical Industries Ltd.

The company prenotified to the commission on 18 November that it intended to increase the price of sodium carbonate (soda ash). The commission considered the proposed increases and decided that they should be the subject of an investigation under section 4 of the Price Commission Act 1977.

The effect of the commission's decision to investigate is that the price increases proposed may not be implemented during the period of the investigation which must be completed within three months. However, the commission is able to allow interim price increases, and is obliged to do so to the extent to which the safeguard provisions operate.

Anyone who wishes to make any representations to the Price Commission in connection with this investigation should write to the Secretary, Price Commission, Neville House, Page Street, London SW1P 4LS.

. . . and to allow Cadbury Schweppes price increases

Overall average weighted increases of 7.42 per cent over a range of Cadbury Schweppes products have been allowed by the Price Commission under the Price Commission Act 1977 following representations by the company on the basis of the safeguard regulations. Some items within the range will not be increased. Others such as cocoa and chocolate-flavoured and covered products will be increased by more than average.

The Price Commission announced on 2 December that price increases proposed by Cadbury Schweppes Foods Ltd for its general range of food products would be subject to investigation.

An effect of the commission's decision to investigate is that the price increases proposed may not be implemented during the period of the investigation which must be completed within three months. However, the commission may allow interim increases and are obliged to do so to the extent to which the safeguard regulations operate.

Price Commission to examine cab services

Cab services throughout Great Britain are being referred to the Price Commission.

Replying to a parliamentary question on 12 December, Roy Hattersley, Secretary of State for Prices and Consumer Protection, said that he had directed the Price Commission to examine and report to him by 30 June 1978 on the prices, costs and margins of providing cab services. The examination will cover all Great Britain, and will include both hackney carriages, such as London taxis, and certain other private-hire vehicle services, for example minicabs. Mr Hattersley said that the examination should throw light on the varying costs of these different services.

Commission programme

The examination is part of a programme being carried out by the Price Commission under the Price Commission Act 1977. The terms of the direction are as follows:

The Secretary of State for Prices and Consumer Protection, pursuant to section 10(1) of the Price Commission Act 1977 and after consulting the Price Commission and the Director General of Fair Trading, hereby directs the Price Commission to examine and before 30 June 1978 to make a report to him on the following question: the prices, costs and margins in the provision to the general public in Great Britain (either generally or within a particular area) of passenger transport (including the services of a driver) by a hackney carriage, private hire or other motor vehicle having capacity for not more than seven passengers and where generally no restriction is placed on the purpose of the transport or on the places or descriptions of places to which the transport may be provided.

New Price Commission publishes first quarterly report

In the first three months since the new Price Commission took office the number of price increases sought by large firms has fallen sharply, the Price Commission finds in its quarterly report [1] published on 16 December. The monthly average for August to October was 215 compared with 578 for previous months and 652 a month for 1976. Lower costs and competitive pressures explain some of the reduction but the commission suggests that reluctance to notify at the start of the new regime and a smaller need for increases after the large increases in the spring have had an effect. These factors may change in coming months and the number of notifications might rise from its exceptionally low level.

The report lists the eight investigations and six examinations that have been started during the quarter. None of these studies is yet complete. However, the commission has had meetings with senior executives of 33 companies and believes that in this and other ways it is influencing pricing policy. The commission noted with satisfaction that fewer firms are applying for increases at frequent regular intervals. The number of companies notifying within three months of their last increase fell to one-third of the level of earlier periods. During the period under review 30 notifications were withdrawn and 20 were modified after discussion.

The policies and procedures of the new

[1] Price Commission: Report for the period 1 August to 31 October 1977 (HC 117), HMSO, price 75p.

commission are set out in the report. It is, says the commission, its duty to look at price increases in a broader way than before. In effect, the problem is to reconcile the public interest with the commercial health of providers of goods and services. The main thrust of the commission's intervention should fall on those situations where pricing may be distorted by market imperfection or defects of information that do not allow a fully competitive market to operate.

If the new policy is to be successful, the commission says that it will need the goodwill of both sides of industry and of the private consumer. The right way is through discussion, not confrontation. For its part the commission has agreed that companies need not present their figures in the form prescribed by the old code but can submit management accounts if they contain all the required information. The commission also gives full opportunity to firms to discuss proposed price increases if a formal investigation under the Price Commission Act seems likely. In the period under review discussions were held with several companies. Furthermore, the commission says that, if an investigation is initiated it will offer consultation with both management and trade unions before reports are compiled and recommendations framed. Contact will also be established with consumer organisations.

Merger proposal cleared

Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided on the information at present before him, not to refer the following proposed merger to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973:

Trafalgar House Ltd and Morgan Grampian Ltd.

London Capital Group Ltd

The inspectors' report[1] on the affairs of London Capital Group Ltd was published on 13 December. The inspectors, Mr M. Sherrard and Mr I. H. Davison were appointed under the provisions of section 165(b) of the Companies Act 1948 on 31 December 1974 to investigate the affairs of the company.

[1] Copies of the report are available from HMSO, price £6.70 net.

Conference: the buyer and the law

A one-day conference organised by the Institute of Purchasing and Supply will be held in London on Tuesday, 31 January. The conference will include a review of the basic rules of contract law, both statutory and common law, and the nature and origin of exclusion clauses.

Inquiries to Mrs Cynthia V. Hewgill, Assistant Secretary, Conferences and Specialist Sections, Institute of Purchasing and Supply, York House, Westminster Bridge Road, London SE1 7UT, tel. 01-928 1851.

BTA reports 9m visitors in London this year

More than 9 million overseas visitors came to London in 1977 for stays of one night or more, compared with 7½ million last year, reports the British Tourist Authority.

The results of the *London Visitors Survey, 1977*[1], published on 13 December, show that over 40 per cent of these travellers also made trips of one night or more to other parts of England, Scotland and Wales. This is the fifth in a series of annual studies commissioned jointly by the BTA, the London Tourist Board and the London Transport Executive to obtain a detailed picture of the characteristics of overseas visitors to London, their activities and their reactions to the capital.

[1] The 'London Visitors Survey, 1977', published by the British Tourist Authority, 64 St James's Street, London SW1A 1NF, at £7.50 including post and packing.

Ceramics industry committee to advice on health and safety

A new advisory committee for the ceramics industry was announced on 16 December by the Health and Safety Commission. The committee will advise the commission on means of controlling hazards and improving health and safety performance in the ceramics industry. It will be chaired by Mr J. Fallaize, area director of the Health and Safety Executive's Marches area, and includes six members nominated by the CBI, and six by the TUC.

Value added tax – partial exemption

As part of a review of value added tax the commissioners of Customs and Excise have been considering whether it would be possible to further simplify the partial exemption rules applying to traders part of whose outputs are exempt.

A consultative document has been prepared which sets out possible proposals on which the views of interested parties are invited. Comments should be submitted by mid-January if possible and by the end of January at the latest.

Anyone who would like a copy of the document should apply to: HM Customs and Excise, Room 206, Knollys House, 11 Byward Street, London EC3R 5AY, tel. 01-626 1515 ext. 3331/3351.

Patents endorsed 'licences of right'

Under section 35 of the Patents Act 1949 the following patents were endorsed 'licences of right' on the date specified.

7 December 1977

1114949 Standard Telephones and Cables Ltd
Negative feedback amplifiers
1213582 Standard Telephones and Cables Ltd
Improvements in or relating to cross-flow fans
1327186 Standard Telephones and Cables Ltd
Cables
1369830 Standard Telephones and Cables Ltd
Improvements in or relating to waveform generators
1411968 Standard Telephones and Cables Ltd
Pressure transducer
1189390 International Standard Electric Corporation
Accounting system for telephone exchange
1418527 International Standard Electric Corporation
Intelligible crosstalk protective system for the division switching centres
1442340 International Standard Electric Corporation
Storage cell selecting system
1290151 EMI Ltd
Improvements in or relating to electron discharge devices
1458353 EMI Ltd
Improvements relating to magnetic storage media
1307351 Charles Robert Longfield Beatty
Control of biological fouling
1344559 Institut de Recherches Chimiques et Biologiques Appliques IRCEBA
Halogenated dibenzylphenols and their preparation
1354839 Abex Pagid Equipement SA
Improvements in or relating to friction pads
1356213 Erie Electronic Ltd
Improvements in or relating to capacitors
1398609 Societe Anonyme Automobiles Citroen
Improvements in or relating to punch equipment for presses
1440490 Societe Chimique des Charbonnages CdF Chimie
Telomers and their use in a process for the stabilisation of equeous solutions of formaldehyde

Any person who claims that the patentee at the time of endorsement of any of the above patents was precluded by a contract in which the claimant is interested from granting licences under the patents may apply for cancellation of the endorsement on patents form no. 45 within two months after the date of endorsement. E. Armitage, Comptroller

Government sale

10 January 1978 — Miscellaneous

Location
Central Ordnance Depot, Bicester, Oxon

Auctioneers
Midlands Marts Ltd (Dept L), 4 Market Square, Bicester, Oxon (tel. 08692 2073)

Stores lying at Bicester and other depots comprising clothing and textiles, vehicles, machine tools, tentage, tyres and MT spares, engineer and electronic equipment, furniture and other items.

Catalogues, which give details of the lots, conditions of sale, viewing times, etc, are available from the auctioneers from two weeks before and up to the day of the sale, price 40p, postage 15p (postal orders only).

New publications

Information for consumers

Consumerism has been inflated into a quasi-science in the United States. It is a science with its own jargon – and its own gurus – and a fit subject for post-doctoral theses and university courses. One particularly worthwhile outlet for this obsession is the mammoth seven-year research project, 'The International Consumer Information Survey', which has resulted in three books, the latest of which has just appeared.

When Thorelli and Thorelli's 'Consumer Information Handbook' (1974) first appeared it was immediately hailed by seasoned practitioners as a major contribution to the literature, and the sequels were eagerly anticipated. Now the editors of that first volume have produced 'Consumer Information Systems and Consumer Policy', a book which the authors say is about 'systems for the delivery of independent consumer information – present and future' and 'in part a treatise in political economy', dealing with socio-economic problems from the viewpoint of the public interest as they see it.

Consumer information systems, designed to help consumers make reasoned decisions before purchase, are described and analysed. The book looks at the theory and philosophy behind the systems and the growth of a consumer information gap, and surveys European and north American consumer organisations.

The authors conclude that consumer education will become a major social influence, producing pre-sales service (an important new concept) and improving standards of quality control. This is a substantial volume and a significant addition to the literature on this subject.

Consumer Information Systems and Consumer Policy, by Hans B. Thorelli and Sarah V. Thorelli. Cambridge (Mass.), Ballinger Publishing Co; distributed in the United Kingdom by John Wiley. 1977. (xviii, 397 pages. £10.00. ISBN 0 88410 271 8).

Buying in bulk

Affluent consumers have long been able to benefit from the advantages of bulk purchase of goods. A short pilot study of bulk buying, carried out by the National Consumer Council in the autumn of 1975, led to a one-year experiment in 1976 to promote the idea of shopping in this way. The 'Bulk Buy Book' brings together the information and experience gained from these studies, covering most of the points to be considered in setting up a bulk-buy club.

After considering the basic rationale behind bulk buying, and the possible types of club, organisational problems (initial finance, division of labour, equipment, transport, premises and record-keeping) are covered in some detail. The types of goods suitable for bulk purchase are examined, and examples given of the sort of savings possible. Advantages and disadvantages of particular types of suppliers, constraints on the size of bulk club operations and storage problems are also discussed.

Finally legal constraints, effects of bulk-buy clubs on small shopkeepers, and the possibility of support from local authorities are considered. Names and addresses of suppliers and other sources of information are listed at the end. This work is written in a popular style, and would make a useful starting point for consumers wishing to set up their own bulk-buy clubs.

The Bulk Buy Book. National Consumer Council, 18 Queen Anne's Gate, London SW1 H 9AA. 1977. (47 pages; paperback £1.00. ISBN 0 905 653 12 2).

Problems of consumer credit

Expansion of consumer credit has, of course, been a particular feature of the post-war consumer scene which has itself been a contributory factor to growth of output. A recent report by the OECD committee on consumer policy considers the main problems with which the consumer may be faced in the field of consumer credit and the measures aimed at providing more consumer information and protection, reflecting a worldwide interest in consumer protection in this area.

Part 1 of the report is valuable to the student for its brief history of the introduction of instalment credit, the development of other forms of credit, such as personal loans and credit cards, and the general economic significance of such activity. The effect of consumer credit on counter cyclical policy is also briefly examined. Elsewhere the advantages and disadvantages involved in extensive provision of consumer credit, including the possibilities of abuse by borrowers and lenders, are described.

Problems faced by consumers before, during and after the conclusion of loan contracts are considered in part three. Topics covered include free access to consumer credit, government control, advertising, reporting systems, and the role of intermediaries. The contracts themselves are examined, including mandatory specifications, cooling off periods, bills of exchange and promissory notes, and abusive clauses. Joint liability of creditor and supplier and means of redress come into this section which concludes with recommendations on the problem of excessive indebtedness, and other problems associated with the newer forms of consumer credit.

The publication should be of equal interest to government departments and firms working in the consumer credit field.

Consumer Protection in the Field of Consumer Credit: report by the Committee on Consumer Policy. Organisation for Economic Co-operation and Development. Available from HMSO. 1977. (66 pages; paperback £2.20. ISBN 92 64 11685 0).

Consumer protection questioned

'Although man is both consumer and producer, his interest as producer is immediate and obvious, whereas his interest as a consumer is distant and diffuse', says Christina Fulop in a recent report on consumer and consumerism. She goes on to attempt to redress what she sees as an imbalance in the appreciation of the advantages and disadvantages of various protection activities for the consumer.

Included in the survey is a useful background to the organisations and legislation in the field, describing the major public agencies, such as the now defunct Consumer Council, the Office of Fair Trading and consumer advice centres. The strengths and weaknesses of the agencies are analysed, as well as the way in which they interact and the various methods of financing them. Private organisations – such as the Consumers' Association and international consumer bodies – are also covered.

The report examines the results of control and manipulation of the market, especially the influence of advertising. Questioning some of the underlying assumptions made by consumerists, particularly with regard to consumers' ability to look after themselves, the author concludes with an examination of the relationship between consumer protection organisations and the consumer.

As background for anyone new to the field, this should prove interesting reading and, for those experienced in the subject, its questioning of many of the assumptions implicit in consumer protection activities, may provoke renewed interest.

The Consumer Movement and the Community, by Christina Fulop. Advertising Association, Abford House, 15 Wilton Road, London SW1V 1NJ. (iv, 115 pages; paperback £3.00).

Bibliography available

Readers interested in consumer matters may like to be reminded that the second edition of the Office of Fair Trading's 'Consumer Bibliography', compiled by Susan Samuel and published earlier this year, is still available, price £1.00 (post free, cash with order). Copies are available from the Office of Fair Trading, Room 515, Chancery House, Chancery Lane, London WC2A 1SP.

Selection of publications for review on this page does not necessarily reflect the views of the government, nor do the opinions expressed. Inquiries and submissions for review should be sent to *Trade and Industry*, New Publications Page, Room LG 17A, 1 Victoria Street, London SW1H 0ET, tel. 01-215 4136.

New products

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Space heater burns waste engine oil

A fully automatic direct fired industrial air heater which operates on untreated waste engine oil has been developed for garage and transport operators by Davair Heating Ltd of Bournemouth. Fitted with a time clock and thermostatically controlled, the heater uses untreated engine oil as it comes out of vehicles.

Davair heaters of 75 and 100 kW (250 000 and 350 000 Btu/hour) output can also operate on recycled waste oil from a local collection company at about half the cost of regular 35 seconds heating oil. The burner performs equally well on standard 35 seconds heating oil.

From a gravity fed waste oil storage tank, the oil is fed through a built-in filter into a small pre-heater and atomised in the combustion chamber with compressed air. The unit will operate efficiently on the smallest type of compressor, the pressure required being less than 1½ kg/cm² and air consumption around 1¾ m³/hour.

The space heaters are timeclock-controlled and incorporate a day omitting device, while accurate control of heating is maintained by an air temperature thermostat. The unit is self-lighting and has fail-safe controls approved to BS 799. Flue stack exhaust is virtually undetectable, the burner producing a steady clean flame with a smoke number of D-2.

Further information: circle 244

Order picker trebles selection speed

Savings in time, inconvenience and expense are claimed for an order picker made by Measuring and Process Control Ltd which makes up mixed orders from sheet materials or small sections of timber and mouldings. It can be operated by one person, and more than trebles the speed of making up many time-consuming small orders. The unit is a simple steerable conveyance with a rising platform, carrying two workers to the height needed for transferring timber mouldings or sheet materials sideways on to the body of the conveyance. It can also be used with 'tree' type racks on which timber and board is laid out parallel to the aisles, while the vertical dimension is used to accommodate a wide variety of stock.

With the picker, small numbers of many different items stored at various heights and in various locations can be rapidly assembled. The controls of the unit are on the platform. Aisles can be fitted with steering rails so that, once the vehicle is within the aisle, it keeps to the fixed track. When it emerges from the aisles, it can be steered to any required position, or to any other aisles. A typical order picker with a 1 tonne capacity, weighs 2½ tonnes, is 6.2 m long, has an overall width of 1.8 m, and a 3.4 m lift. It has a 7.3 m turning circle, and is driven by a 1.4 kW motor from a 48 volt battery.

Further information: circle 245

Easy-to-use display terminal

Unskilled operators can work an interactive computer display terminal based on a light emitting diode principle, designed by Grundy and Partners Ltd, Stonehouse, Glos.

The Truedata terminal, providing for entry, verification, display and amendment of data in a computer system, has a 435 mm wide by 330 mm deep display panel weighing 5 kg. It contains an array of light emitting diodes with numeric indicators available for displaying results from the computer.

Communication with the computer is achieved by pointing to the relevant light with a hand-held fibre-optic pen, which sets or re-sets LEDs by optical coupling. The computer too can set or re-set the LEDs either to draw attention to an item omitted by the operator or to inhibit an entry on invalid LEDs.

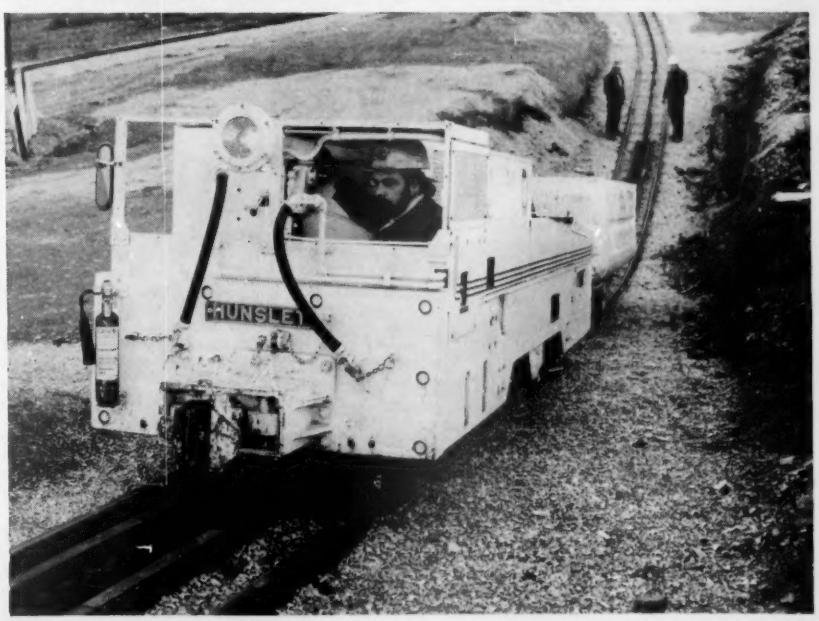
Designations are given to the LEDs by imposing a dedicated marking sheet over the panel. These overlay sheets may be of paper, photographic film or easily-wiped rigid plastics and they allocate a meaning to each LED in the form of words, symbols, numbers, letters, colour and pattern samples.

Further information: circle 246

Mine locomotive hauls up steep gradients

This flameproof mine locomotive, designed by Hunslet Engine Co Ltd, Leeds, uses both rack and pinion drive and adhesion drive and can negotiate gradients up to one in four. It is the result of joint development between Britain's mining and locomotive engineers. Rack and pinion traction has not yet been applied in mines. A toothed rack rail is laid centrally between two ordinary rails of conventional track. As the engine approaches a steeper length of roadway, two powered pinions on the underside of the locomotive engage with the toothed rail, which is profiled and spring-loaded at each end to ensure smooth entry and exit, and the power is transmitted through the rack and pinion to keep the vehicle moving and free from wheel slip. The change from rack and pinion drive to adhesion drive and vice versa is accomplished by the driver, using a single switch in the cab.

Further information: circle 247



Technology news

Infra-red thickness monitor

Harwell, the research laboratory of the UK Atomic Energy Authority, has licensed Anacon Instruments Ltd of Maidenhead to manufacture its infra-red thickness monitor.

The Harwell instrument was developed originally for paint, emulsions and plastic coating measurements. It can be used to give accurate assessments of coating thicknesses for a range of positions on a production sample, to determine the variations in a particular coating process. It provides a continuous non-contacting, non-destructive method of monitoring thickness by sampling on a production line.

In the simplest mode of operation the coating thickness is assessed by comparing the received levels of two different frequencies of radiation, both having passed through the coating and one of which is appreciably absorbed by the coating material.

This instrument will complement the existing Anacon model 106, which operates in the near infra-red region. The company will therefore manufacture instruments operating the infra-red, visible and ultra-violet bands on either side of their standard equipment. Measurements that can be made in these extended ranges will be of considerable interest to the film, laminating, metal finishing, and painting industries.

Anacons expect to build two pre-production prototype machines by April, and to go into full production shortly after.

Finance for technology

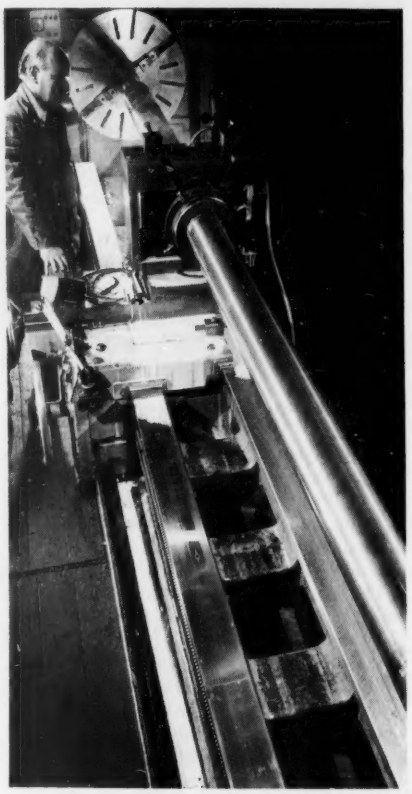
The National Research Development Corporation provides financial and other support for technological developments of potential commercial importance. NRDC promotes the adoption by industry of new products and processes invented in government laboratories, universities and elsewhere. Further details are available from the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1

Plastic trim beats car rust problem

Chamberlain Plastics Ltd has introduced a stick-on weatherproof grade of plastic trim to replace exterior chrome and aluminium on cars, doing away with body holes, clips, screws and other fastenings that can cause rust. Here it is being rolled at the end of the production process. The trim is called 'Metalon' and is the exterior version of a British manufacturer's interior grade of bright laminate that is already being used in the motor industry for door panels, windscreens and rear window surrounds. 'Metalon' has a three layer construction having as its centre a high vacuum metallised polyester film, to the top of which is laminated a layer of tough film for protection against the effect of weathering and ultra-violet light. This combination is then permanently bonded to different types of substrates to meet the stringent requirements of the automotive industry.

Machining hydraulic rams

By combining a single-point turning tool with a burnisher in the common lathe fixture shown here, Grosvenor Hypower Ltd can now turn hydraulic rams up to 6 m in length and 150 mm in diameter to a mirror-like finish in a single pass of the combined tool. Overall machining times, as a consequence, are reduced drastically and owing to the unique combination of tooling, the need for work steadies is eliminated and finishes within the limits of 0.2 to 0.4 μm obtained automatically.



Seminar on industrial sampling systems

A two-day seminar, 'Sampling systems for on-line process analysers' is being organised jointly by Sira Institute and Warren Spring Laboratory. It will be held in London in September and aims to familiarise factory and site managers with the difficulties which can be encountered and overcome, and to promote disseminaton and exchange of knowledge and experience among instrument engineers, plant laboratory analysts, and process control engineers.

The seminar will look at the design and application of sampling systems, highlighting areas in need of development and illustrating the subject with case studies; and will encourage cross-fertilisation of methods used in different industrial sectors.

Inquiries to Mrs R. G. Keiller, Sira Institute Ltd, South Hill, Chislehurst, Kent BR7 5EH, UK.

Parliament

Monday, 12 December

Export competitiveness index

Bryan Gould (Southampton, Test) asked the Secretary of State for Trade what adjustments to the index of competitiveness was needed to take account of: (a) the loss of tariff advantages in the European free trade area, the Commonwealth and the Irish Republic since 1970 and (b) the granting of tariff concessions in the United Kingdom market to EEC members.

Mr Meacher replied that changes in tariffs might affect UK and competitors export prices and the market pattern of trade thereby influencing the weighting used in the export competitiveness index. Reliable estimates of such effects were excluded because, for example, there was no way of knowing how traders had reflected tariff changes in their prices. However, the granting of tariff concessions in UK markets to the EEC Six had probably had only a very small effect on relative export prices and the loss of Commonwealth preference next to none. Tariffs between the UK, Efta and the Irish Republic had been essentially unchanged since 1970. Reciprocal tariff reductions by the EEC Six could have had a greater potential influence on the index than tariff reductions, essentially because the EEC Six represented a far greater proportion of the UK's total market for exports of manufactures than did the UK for the countries of the EEC Six.

Import duty on aircraft

Kenneth Warren (Hastings) asked the Secretary of State for Trade what were the criteria for waiving import duty on the import of civil aircraft.

Mr Meacher said that the import duty on mechanically propelled aircraft, other than helicopters, of an unladen weight exceeding 15 000 kg was currently totally suspended. The only criterion was of unladen weight. The present suspension was continued by council regulation (EEC) 2623/77 until 30 June 1978 and its possible extension beyond that date would be considered by the EEC early in 1978. There were no current provisions for relief from import duty on other civil aircraft.

Singapore air service agreement

Robert Adley (Christchurch and Lymington) asked the Secretary of State for Trade under what legislative powers he had forbidden Singapore Airlines to serve free drinks and provide free in-flight entertainment for their economy class passengers flying into and out of the United Kingdom.

Mr Dell said that an operating permit was granted to SIA in 1972 under article 77 of the Air Navigation Order 1972 in accordance with the UK/Singapore bilateral air services agreement of 12 January 1971. That agreement contained an article requiring SIA to charge only the approved tariffs. For this purpose the word 'tariffs' included the conditions, such as the provision of in-flight services, under which those tariffs applied.

Department of Trade investigations

Jeff Rooker (Birmingham, Perry Barr) asked the Secretary of State for Trade how many of the companies listed on page 157 of the Fay Report on the Crown Agents had been the subject of Department of Trade investigations.

Mr Clinton Davis replied three, pursuant to section 165 of the Companies Act, 1948, viz. Vehicle and General Insurance Co Ltd, London and Counties Security Group Ltd, and London Capital Group. In addition inquiries into seven companies associated with the Israel British Bank Ltd were made pursuant to section 109 of the Companies Act, 1948 but, since these were confidential, he could not disclose the information obtained.

Companies bill

Timothy Smith (Ashfield) asked the Secretary of State for Trade if he would introduce new categories of companies in the forthcoming companies bill.

Mr Dell replied that the companies bill would contain proposals for substantial revision of the definitions of public and private companies, and would require public companies to adopt a new designation.

Imports of steel pipes from Japan

Patrick Wall (Haltemprice) asked the Secretary of State for Trade what percentage of large diameter steel pipes were imported from Japan; and what percentage were made in the United Kingdom.

Mr Meacher said that in the first 10 months of this year 221 thousand tonnes of steel (excluding stainless steel) tubes and pipes with an internal diameter exceeding 152 mm were imported, of which 0.8 thousand tonnes (0.4 per cent) was consigned from Japan. He said that he was unable to say what percentage of the home market these imports represented.

Electronic components from Japan

Nigel Forman (Sutton, Carshalton) asked the Secretary of State for Trade if he would make a further statement on the ways in which the government intended to counter unfair competition from Japan, especially in the electronic components industry.

Mr Meacher said that the EEC commission was already investigating an allegation that quartz crystals from Japan were being dumped in the community. If a UK industry had evidence that other electronic components were being dumped they should approach his department's anti-dumping unit who would be able to advise them on the presentation of their case to the EEC commission.

UK trade with China and Japan

Michael Neubert (Havering, Romford) asked the Secretary of State for Trade what was the United Kingdom balance of trade with China and Japan, respectively, for the last 12 months to date.

Mr Meacher said that figures on a balance of payments basis for trade with individual countries were not compiled. Britain's crude trade deficit over the last 12 months up to October was £49 million with China and £593 million with Japan.

UK trade with Spain, Portugal and Greece

John Biffen (Oswestry) asked the Secretary of State for Trade what was the estimated current annual value of British exports to and imports from Spain, Portugal and Greece as a percentage of current trade with non-communist European countries.

Mr Meacher replied that in the 12 months to October 1977, UK exports to and imports from these countries together were £967 million and £751 million, respectively, representing 6 per cent and 4 per cent of the UK's trade with non-communist European countries.

UK/Uganda trade

Dennis Canavan (West Stirlingshire) asked the Secretary of State for Trade what was the latest estimate of movement in the amount of trade between the United Kingdom and Uganda.

Mr Dell said that UK exports to Uganda in the first 10 months of 1977 were £17.2 million fob and imports in the same period £29.9 million cif. Exports in the corresponding period of 1976 were £8.4 million and imports £29.1 million.

UK trade with Nigeria and South Africa

Frank Hooley (Sheffield, Heeley) asked what was the value of imports from: (a) Nigeria and (b) South Africa in 1976 and the first half of 1977.

Mr Meacher said that imports from Nigeria were valued at £317 million in 1976 and £133 million in the first half of 1977. The corresponding figures for South Africa were £613 million and £468 million respectively.

Withheld export credits

Nicholas Ridley (Cirencester and Tewkesbury) asked the Secretary of State for Trade how many times to date he had invoked his powers under section 2 of the Export Credit Guarantees Act to withhold export credits.

Mr Dell replied that these powers were frequently invoked. The day to day administration of section 2 of the act entailed frequent judgement on whether or not, in the national interest, export credits should be made available for particular contracts or particular markets, in the circumstances where such business was not considered suitable for cover on a commercial basis under section 1.

Balance of payments 1977

Sir John Langford-Holt (Shrewsbury) asked what was the balance of payment figure for the year 1977 to date, excluding British-produced oil figures and assuming a level of oil imports equivalent to 1976 levels, compared with the deficit of £1,472 million for the five months May to September 1977.

Mr Meacher said that in the first 10 months of 1977, the visible deficit, adjusted in the way requested for trade in crude oil, was estimated at £3,140 million.

Disclosure of financial assistance

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Industry whether he would set out the criteria of his department in making decisions on what details of financial assistance from public funds to industry should be disclosed publicly or to parliament on grounds of the need for commercial confidentiality.

Mr Cryer replied that as a compromise between the need to protect a company's commercial position and the wish of parliament for early information, details of regional development grants and selective financial assistance under the Industry Act 1972 for a project were published in *Trade and Industry* in the quarter after the first payment was made. These arrangements were announced to the Commons on 31 July 1974. Prior to this announcement details were not given of grants and assistance made. In addition, consolidated information, and analyses by region and industrial sector, were provided in the *Annual Report to Parliament on the operation of the Industry Act 1972.*

Manufacturers' profit margins

Sydney Tierney (Birmingham, Yardley) asked the Secretary of State for Prices and Consumer Protection if he would take steps to assist retailers to reduce prices wherever possible by ensuring that manufacturers and distributors passed on all possible price reductions; if he would take steps, as the prices of basic foodstuffs and raw materials were reduced, to ensure that prices were not stabilised at their present level but that the benefits were passed on to retailers and consumers.

Mr Maclennan replied that the Price Commission was asked in 1975 to study the effect on manufacturers' and retailers' prices when the cost of raw materials fell between 1974 and 1975. The report, published in July 1976, had found that, in general, manufacturers profit margins were eroded over this period: they had found no evidence that manufacturers failed to pass on the benefit of reductions in the cost of materials in order to increase their mar-

Ministers

Department of Industry

Secretary of State: Eric Varley
Ministers of State: Alan Williams
Gerald Kaufman
Parliamentary Under-Secretaries of State: Robert Cryer
Leslie Huckfield

Department of Trade

Secretary of State: Edmund Dell
Parliamentary Under-Secretaries of State: Michael Meacher
Stanley Clinton Davis

Department of Prices and Consumer Protection

Secretary of State: Roy Hattersley
Minister of State: John Fraser
Parliamentary Under-Secretary of State: Robert Maclennan

gins, but that reductions in the cost of raw materials were often offset by rises in other costs, and therefore moderated increases in retail prices rather than causing actual reductions. Now that many commodity prices had fallen once more, the secretary of state was determined to see that the benefit was properly reflected in retail prices, and was ready to use his statutory powers if necessary.

Retail prices outside UK

Geoffrey Pattie (Chertsey and Walton) asked the Secretary of State for Prices and Consumer Protection if he would list the cumulative increases in retail prices in each member country of the EEC, the United States, Canada and Japan for the two periods, June 1970 to January 1974 and February 1974 to the latest available date.

Mr Maclennan gave the following information:

per cent increase

EEC	June 1970-January 1974	February 1974-September 1977
Belgium	23.5	42.0
Denmark	35.4	43.3
France	27.5	44.6
Germany (FDR)	23.5	17.5
Ireland	44.2	75.9 [2]
Italy	31.8	80.6(e)
Luxembourg	21.1	34.8
Netherlands	30.9	35.0
United Kingdom	37.1	82.6
Canada	21.3	37.0
Japan	42.0	42.1
USA	20.1	30.0

[1] May 1970-February 1974. [2] February 1974-August 1977. (e) = estimate. Source: OECD – main economic indicators.

Price increases notified to Price Commission

Arthur Lewis (Newham North West) asked the Secretary of State for Prices and Consumer Protection how many applications for price increases the Price Commission had received in the current year; how many it had granted, giving details of the increases; how many investigations were pending; how many interim price increases, pending the reports, had been made; what increases had been granted; and to what extent all of these increases had affected the cost of living index.

Mr Maclennan pointed out that the Price Commission did not grant price increases. The larger firms were required to notify details of price increases to the commission, and the commission had to decide whether or not to investigate them within 28 days of the notification being made. The handling of these notifications and the issue of notices removing price restrictions during investigation, were matters for the commission. A total of 13 investigations had been announced by the commission but none had been completed. It was not possible to calculate separately the effect of prices increases notified to the Price Commission on the retail price index, but the index had risen by 11 per cent in 1977 so far.

Unsolicited goods and services

Bruce George (Walsall, South) asked the Secretary of State for Prices and Consumer Protection what evidence he had that the practice of sending out solicitations which looked like invoices, and were contrary to the provisions of the Unsolicited Goods and Services (Amendment) Act 1975 was continuing.

Mr Fraser said that the only evidence that this practice was continuing was in respect of documents sent from overseas relating to directory entries. If such documents contravened UK legislation, action could be taken only if the person concerned came within the jurisdiction of the UK courts within six months of committing the offence. Nevertheless, in such cases the matter might be taken up informally with the appropriate authorities in the country concerned.

Steel pipeline factory

Patrick Wall (Haltemprice) asked the Secretary of State for Industry when the first British mass-produced steel pipeline factory would be in production.

Mr Huckfield said that the British Steel Corporation had facilities for producing steel pipes suitable for the construction of pipelines at Hartlepool, Stockton and Clydesdale. Private sector facilities were located at Ipswich and Motherwell.

Planning agreements and discussions

Jeff Rooker (Birmingham, Perry Barr) asked the Secretary of State for Industry if he would make a statement outlining the difference between planning agreements and planning discussions; how many staff in his department were engaged full-time in discussions intended to lead to planning agreements; and what civil service grade they were.

Mr Cryer explained that a planning agreement was a formal record of understandings reached between government and a company in planning discussions. A planning agreement was made should both parties wish to proceed to this stage when the provisions of section 21 of the Industry Act 1975 applied. The workload associated with planning agreement policy varied and it was not possible to state the number of staff engaged in discussions at any given time. Planning agreement contacts with companies were at principal level and above. Within the department's industry divisions there were about 110 staff of appropriate rank who were likely from time to time to be involved directly in planning agreement procedures with companies.

Post Office board

Nicholas Winterton (Macclesfield) asked the Secretary of State for Industry if he would publish in the Offical Report a list of the members of the board of the Post Office; and which organisation or person nominated these individuals.

Mr Huckfield have the following information:

Sir William Barlow	(Chairman)
Peter Benton	(MD telecommunications – takes up post on 1 January 1978)
Denis Roberts	(MD posts)
Sam Wainwright	(MD giro)
Ken Young	(Member for personnel and industrial relations)
Sir George Macfarlane	(part-time adviser on engineering)
Prof. C. D. Foster	(part-time)
D. O. Gladwin	(part-time)
Sir Morlen Morgan	(part-time)
Lord Pitt of Hampstead	(part-time)
Sir John Read	(part-time)

All these appointments were made by the Secretary of State.

UK share of home car market

Geoffrey Pattie (Chertsey and Walton) asked the Secretary of State for Industry if he would list the percentage share of the UK car market secured by UK car producers for each year since 1965.

Mr Cryer gave the following information:

	%
1965	94.9
1966	93.6
1967	91.7
1968	91.7
1969	89.6
1970	85.7
1971	80.7
1972	76.5
1973	72.6
1974	72.1
1975	66.8
1976	62.1
(Jan-Nov) 1977	54.6

Assistance to shipowners

Neville Trotter (Tynemouth) asked whether British shipowners would have made available to them the same inducements as were made available for the Polish shipping agreement if they were to place an order of similar size.

Mr Kaufman replied that all forms of government assistance made available for the sale of ships to Poland would be available to a British shipowner, except that the provision of credit guarantee would be under the home shipbuilding credit scheme, not by the Export Credit Guarantees Department.

Allocations to CABs and CACs

John MacGregor (South Norfolk) asked the Secretary of State for Prices and Consumer Protection how much central government expenditure had been allocated in the current year to citizens' advice bureaux and consumer advice centres, respectively; and, of the totals, how much was specifically directed to, or available for, Norfolk.

Mr Fraser explained that for the financial year 1977/78, central government had made £3.3 million available for consumer advice centres in Great Britain. The one application under this scheme from Norfolk was for £28,125 and has been approved. In the same period, £1.4 million direct central government funding was being provided to the National Association of Citizens' Advice Bureaux. Most of this was a contribution to national and regional office expenses. The national association itself decided where to allocate those funds for assistance to individual bureaux, and would be providing £2,340 in Norfolk this year. This figure did not take account of the separate rate support grant assistance provided to local authorities, many of whom grant-aided individual citizens' advice bureaux.

Multi-national companies and the EEC

Edwin Wainwright (Dearne Valley) asked the Secretary of State for Industry if he would raise in the council of ministers of the EEC the problem of the economic power of multi-national companies, and its conflict with national obligations.

Mr Huckfield said that the commission had already raised the issue. In its communication to the council 'Multi-national Companies and Community Regulations' (COM(73)1930 of November 1973) the commission had surveyed the field and proposed a number of general measures which could help to alleviate concern which might be felt about their activities. Work was in progress on matters such as employment, competition, harmonisation of company law and taxation. Members of the EEC also played an active part in the work on multi-national companies in the OECD, ILO and UN.

Tuesday, 13 December

Volume of exports

David Mitchell (Basingstoke) asked the Secretary of State for Trade what had been the fall in the volume of exports in the last six and 12 months, respectively; how the present volume compared with the preceding year; and to what he attributed this fall.

Mr Meacher said that the volume of exports, far from falling, had shown strong underlying growth during the past two years or so, with the marked increase in 1977 achieved despite weak world demand. In the six months to October 1977 the volume of deliveries had been 6 per cent higher than in the preceding six months, while between the 12 months to October 1976 and the 12 months to October 1977 there had been a rise of 9½ per cent. In the three months to October 1977 the volume of exports had been 10 per cent higher than a year earlier.

Imports of manufactured goods

David Mitchell (Basingstoke) asked the Secretary of State for Trade whether his attention had been drawn to the increase in the imports of foreign manufactured goods in the last 12 months; what percentage of such imports were goods also manufactured in the United Kingdom; to what he attributed the public preference for foreign goods; and what steps he proposed to take to meet this challenge.

Mr Meacher said that he was aware of this increase, which, between the years in question, had been matched by a broadly similar increase in exports of manufactured goods. For many finished manufactures, he expected that there were comparable UK-manufactured products, but there might be less scope for substitution for semi-manufactures. Public choice between UK or foreign goods was likely to vary for different products, and would probably reflect factors such as availability, reliability and price. His department continued to be closely involved in the effort to improve the UK's share of both home and export markets, particularly through the industrial strategy programme and the work of the sector working parties.

Development of regional airports

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Trade whether he proposed to issue any circular or guidance to local authorities to the effect that they should not commit themselves to major investment schemes for the development of regional airports before the publication of the government's white paper on the subject.

Mr Clinton Davis said that he did not propose to issue any circular or guidance. The white paper was expected to be published early in the new year and local authorities were unlikely to commit themselves to major investment schemes over the next few weeks.

Regional development grants

Fred Silvester (Manchester, Withington) asked the Secretary of State for Industry what was the average cost per job provided or assisted by projects receiving the regional development grant; what was the total amount of regional development grant spent in 1976-77; and how many jobs this had provided or assisted; how much regional development grant had been spent in 1976-77 on projects providing under 100 jobs, between 100-500 jobs and over 500 jobs, or whatever other similar divisions were conveniently available.

Mr Cryer said that in 1976-77 the total amount of regional development grant paid was £407,709,257. As was explained in the white paper *Industrial and*

Regional Development issued in March 1972 (Cmnd 4942) these grants are not limited solely to projects which provided employment. No statistics were available of the number of jobs provided or assisted as a result of these grants.

Assistance to industry

Jeff Rooker (Birmingham, Perry Barr) asked the Secretary of State for Industry what was the latest figure for total government aid to industry; and how this compared with the figure five years ago.

Mr Cryer pointed out that in 1976-77 the provision for assistance to industries which fell within his department's responsibilities was £1,094 million compared with £1,015 million in 1972-73; both figures were at 1976 survey prices, and excluded staff and administration costs and gave the following figures;

DEPARTMENT OF INDUSTRY EXPENDITURE (including support for nationalised industries)

£ million (1976 survey prices)

Sub-programme	1972-73	1976-77
Regional development grants	13.6	393.0
Land and buildings	21.0	25.8
Selective regional assistance	0.8	27.8
Publicity	0.1	0.2
Local employment act	83.0	−3.4
General industrial R & D	29.7	51.0
Technological sponsorship	6.1	8.4
Air R & D	22.6	19.1
Concorde	132.5	36.8
RB 211	89.7	10.1
Other air assistance	−1.4	−1.3
Space	13.9	30.3
Selective assistance to industries and individual firms	8.8	132.7
Refinancing of home shipbuilding lending	85.8	75.0
Shipbuilding assistance	19.3	36.5
Other support services	−26.6	−3.1
Investment grants	515.6	29.0
NEB	—	225.0[1]
Other compensation (redundant steel workers)	—	1.1
Total	1 014.5	1 094.0

The above figure exclude expenditure on Central and Miscellaneous Services (staff and administration costs).
[1] The NEB figure is in money terms.

Price Commission investigations

John Cartwright (Greenwich, Woolwich East) asked the Secretary of State for Prices and Consumer Protection if he would set out the investigations currently being undertaken by the Price Commission together with the estimated dates on which each was likely to be completed.

Mr Maclennan said that investigations were currently being carried out by the Price Commission under sections 4 and 5 of the Price Commission Act 1977 in respect of the following enterprises. The reports must be made to the secretary of state and to the enterprise by the dates shown:

Central Electricity Generating Board	21 December 1977
Area Electricity Boards	30 December 1977
Southern Western Electricity Board in respect of Isles of Scilly	1 January 1978
Barclays Bank Ltd	1 January 1978
Metal Box Ltd	1 January 1978
Fisons Ltd	6 January 1978
UG Glass Containers Ltd	15 January 1978
14 enterprises or sole traders engaged in coal distribution in south west Wales	27 January 1978
Tate and Lyle Refineries Ltd	2 February 1978
British Railways Board	6 February 1978
The Ever Ready Company (Great Britain) (Ltd)	28 February 1978
Cadbury-Schweppes Foods Ltd	6 March 1978
ICI Ltd	17 March 1978

Unit pricing for meat

Jim Callaghan (Middleton and Prestwich) asked the Secretary of State for Prices and Consumer Protection if he would make a report on the introduction of unit pricing for meat.

Mr Maclennan pointed out that the order made on 16 August 1977 under section 4 of the Prices Act requiring the price per pound to be indicated for virtually all fresh and frozen meat comes into operation on 1 March 1978. He said that he welcomed the more informative labelling that had already appeared in some shops: this was of particular help to consumers at a time of year when meat purchases were traditionally at a higher level. He appealed to those butchers who had not yet finalised their permanent plans for prices display to consider making arrangements to cover the Christmas period.

EEC loans and grants for iron and steel projects

Eric Moonman (Basildon) asked the Secretary of State for Industry if any grant or loan had been allocated by any European agency for steel projects in Workington and near Motherwell; to the North Sea Iron Company for work at Jarrow; for the new welded steel tube plant at Tafarnaubach, South Wales.

Mr Huckfield replied that the European Investment Bank had approved loans totalling £70.2 million to steel projects at Motherwell, a loan of £2.1 million to a steel project at the Distington plant, and a loan of £11.4 million to modernisation works at the Workington and the Distington plants. The Eufopean commission had approved contributions from the European regional development fund of £0.8 million towards the cost of UK regional aid to the plate mill expansion at Dalzell, Motherwell and £0.6 million towards the cost of UK regional aid to improve mould refurbishing facilities at Distington near Workington. The European commission had also approved a loan of £4 million from European coal and steel community funds towards replacing coke ovens at Ravenscraig, Motherwell. The European commission had approved in July a loan of £28 million under article 54 of the ECSC treaty towards the cost of constructing an iron ore direct reduction plant at Jarrow. However the North Sea Iron Company had decided to postpone this project because of the present recession in steel. There had been two loans from the European Coal and Steel Community for the new welded steel tube plant at Tafarnaubach, South Wales: one in 1976 of £1.25 million and one in 1977 of £1.09 million.

EEC loans for steel research

Eric Moonman (Basildon) asked if any grant or loan had been allocated by any European agency for steel research projects on noise, fume control and waste recycling.

Mr Huckfield said that in their decision of 6 August 1974, the commission had allocated 10 million units of account for a research programme over a five year period which would cover noise, fume and dust control, pollution and waste disposal or elimination. About £260,000 had been allocated for five projects in the UK.

EEC loans for Teesside chemical plant

Eric Moonman (Basildon) asked if any grant or loan had been allocated by any European agency for a chemical plant on Teesside.

Mr Cryer replied that in July 1976 the European commission had allocated a sum of £260,000 from the European regional development fund towards the cost of the government's regional aids to a chemical plant on Teesside.

ERDF allocations

Eric Moonman (Basildon) asked what was the most recent allocation of funds from the European regional development fund; and which areas would benefit.

Mr Cryer replied that in July this year, the European commission had approved contributions amounting to £23.42 million from the European regional development fund towards the cost of projects in the UK as follows;

Region	£000's
Northern	10 622
North West	1 807
Yorkshire and Humberside	772
East Midlands	86
South West	234
Total England	13 521
Northern Ireland	4 195
Scotland	4 061
Wales	1 643
Total UK	23 420

Details of the projects were given in *Trade and Industry* of 22 July.

Wednesday, 14 December

Report on soft drink prices

Arthur Lewis (Newham North West) asked the Secretary of State for Prices and Consumer Protection whether, in the light of the fact earlier in the year the Price Commision found that public houses were charging too much for soft drinks and advised a reduction in the charge for mixed drinks containing tonic, soda and ginger ale, and that these prices had now increased, whether he would now refer this matter to the Price Commission for further investigation and whether he would request the Price Commission to investigate the variation in prices of soft drinks between shops.

Doug Hoyle (Nelson and Colne) asked the Secretary of State for Prices and Consumer Protection what action he had taken on the report on mixer and soft drinks issued by the Price Commission on 31 March 1977 and, in particular, in relation to their recommendation that the price should be reduced by at least 2p; what action he had taken on the recommendations in the report of the Price Commission in relation to prices charged for shandy and lager and lime; if he would take action as suggested in the Price Commission report, namely to prevent licensees charging higher prices than necessary for soft drinks when sold separately, in order to discourage this trade; and if he would take such action as necessary on those matters prior to Christmas and the New Year.

Mr Maclennan replied that a number of outstanding issues arising from the Price Commission report remainded to be resolved. These would be included in the discussions which the secretary of state would be opening with the trade. In their report on soft drinks and mixers sold in licensed premises the Price Commission had investigated the variations in prices of soft drinks sold on licensed premises and found that there were noticeable regional differences. He had no evidence to suggest that the variations in prices between different shops were other than one would expect in normal circumstances.

Unsolicited goods

Kenneth Lomas (Huddersfield West) asked the Secretary of State for Prices and Consumer Protection what was the law relating to unsolicited goods sent through the post, or the post in addition to goods the consumer had already contracted to buy; and if he would make a statement; what was the law relating to unsolicited goods sent through the post, or delivered by hand or any other method; and what action the consumer should take if this happened.

Mr Fraser replied that the recipient of unsolicited goods (whether sent by post, by hand or any other method and whether additional to goods ordered or not) was under no obligation to pay for them or return them. Further protection was given by the Unsolicited Goods and Services Act 1971 which provided that, after 30 days if the recipient gave notice in writing to the sender, or six months if he did not, the goods might be regarded as an unconditional gift provided that the sender had been given reasonable access for collection. The act also made it an offence to demand payment for unsolicited goods, but only in cases where the sender knew the goods were unsolicited and where he had no reasonable cause to believe there was a right to payment. Any consumer who was worried about his postion should contact a solicitor or get in touch with his local trading standards officer, consumer advice centre or citizens' advice bureau.

Grants to citizens advice bureaux

Kenneth Lomas (Huddersfield West) asked the Secretary of State for Prices and Consumer Protection if it was his policy to encourage local authorities to make grants to citizens advice bureaux.

Ivan Lawrence (Burton) asked what financial or other assistance the government had given to citizens advice bureaux over the past year.

Mr Fraser said that his department encouraged any assistance which was given to this very valuable service. The government took into account local authority assistance to citizens advice bureaux in the total annual rate support grant settlement. His department would be making available a total of just over £1.4 million to the National Association of Citizens Advice Bureaux during this financial year.

Citizens advice bureaux in Yorkshire and Humberside

Kenneth Lomas (Huddersfield West) asked the Secretary of State for Prices and Consumer Protection how many citizens advice bureaux there were in the Yorkshire and Humberside region; and if he would list them, with details of any grants which had been made to them and the number of full time officers employed at each.

Mr Fraser replied that there were 46 citizens advice bureaux and one regional office in the Yorkshire and Humberside region and gave the information below. He pointed out that the grant assistance described referred only to those parts of the total national grants which his department had provided to the National Association of Citizens Advice

Bureaux, and which the national association had decided to allocate to that region.

YORKSHIRE AND HUMBERSIDE CAB: GRANTS MADE AVAILABLE IN 1977/78

Citizens Advice Bureaux	Amount (£)	Full-time paid officers
Boothferry	—	
Hull	2 660	1
Beverley[1]	—	
Scunthorpe; Barton on Humber; and Brigg	110	
Harrogate	1 600	
Northallerton	—	
Richmond	—	
Ripon	—	
Scarborough; Whitby[1] and Selby	825	
Tadcaster[1]; Skipton and Town Hall		
Settle[1]	1 825	
York	1 000	1
Askern	—	
Barnsley; and Penistone[1]	800	
Doncaster; and Thorne[1]	600	1
Mexborough	—	
Rotherham	1 000	1
Sheffield (Pitsmoor); and Middlewood Hospital	8 115	1
Sheffield (Sharrow)	3 895	
Stainforth	—	
Bradford	3 000	2
Brighouse	750	
Chapeltown (Leeds)	6 075	
Dewsbury	250	
Elland	350	
Halifax	600	
Hebden Bridge	350	
Huddersfield	550	
Batley[1]	500	
Keighley	1 100	
Leeds	—	1
Ossett	800	
Pontefract	500	
Pudsey	750	
South Elmsall	500	
Spen Valley	250	
Todmorden	350	
Wakefield	—	1
Area office and Training centre	5 000 2 320	3
Total	46 425	12

[1] Extension bureau

Dangerous toys

Gwilym Roberts (Cannock) asked the Secretary of State for Prices and Consumer Protection what steps he was taking to tighten up the standards of toy safety; if he would ensure that the same rigid standards are applied to all imported toys; and if he would make a statement; what studies he had made of the selling and importation of dangerous toys; what representations on dangerous toys he had received recently and if he would give details of these in the Official Report; what steps he was taking to minimise the danger from such toys; and if he would make a statement; what were the latest figures available for the number of accidents attributed to dangerous toys; if he would classify these, indicating the type of accident; and if he would make a statement.

Mr Fraser said that the technical committee of the British Standards Institution concerned with toys, on which his department was represented, was participating in the preparation by the European committee for standardisation (CEN) of a comprehensive safety standard for toys which was to be the basis of an EEC directive. This, when adopted, would be implemented by all member states. In the meantime all toys offered for sale in the UK, including imported toys, must comply with the Toys (Safety) Regulations 1974, which already covered the major hazards.

Since January this year his department had received 103 complaints about dangerous toys, of which 59 were found to be justified. Most of these toys had been modified or withdrawn from sale following approaches to the manufacturers or importers concerned. The hazards identified were as follows:

Toxicity	6
Sharp edges and points	14
Mechanical	7
Flammability	2
Suffocation	4
Small toys and parts	26

As indicated in the report published by his department last month summarising the data collected during the first six months of operation of the home accident surveillance system, 351 out of 30 000 home accidents recorded by the 20 participating hospitals during that period involved toys. A study of the data had shown that 244 of these accidents were in no way attributable to defects in the toys. The classification of the remaining 107 cases where the toys might have been to blame was as follows:

Ingestion and objects stuck in ears, nose and mouth	85
Injuries caused by sharp edges and points	14
Fingers or hand trapped by part of toy	8

These initial data were insufficient to produce accurate national estimates.

Thursday, 15 December

Development certificates issued in Wales

Gwynfor Evans (Carmarthen) asked how many development certificates had been issued in Wales in each of the years 1967 to 1977.

Mr Cryer said that the number of industrial development certificates issued for schemes of 15 000 sq ft and above in Wales was as follows:

1967	81
1968	119
1969	131
1970	103
1971	56
1972	46
1973	40
1974	25
1975	9
1976	9
1977 (Jan-Oct)	5

Since July 1972, IDCs have not been required in special development areas and development areas, which cover most of Wales.
IDC exemption limits were altered in December 1970 and July 1972.

Contracts preference scheme

Max Madden (Sowerby) asked the Secretary of State for Industry if he would consider extending his department's contracts preference schemes to firms located in intermediate areas; and if he would make a statement.

Mr Cryer said that the problems in the special development and development areas and in Northern Ireland were such that it was desirable at present to restrict the contracts preference schemes to firms in those areas.

Assistance to industry

Dr Oonagh McDonald (Thurrock) asked how much financial assistance to industry had been given under the selective investment scheme between October 1976 and October 1977; how much general financial support has been provided for industry in 1976-77, including selective assistance to individual industries, firms and undertakings, and investment grants, and how much assistance has been given to industry in the form of regional aids in 1976-77.

Mr Cryer said that no payments had yet been made under the selective investment scheme. But since the scheme had begun in December 1976, 37 offers of assistance totalling £11.296 million had been approved up to 31 October 1977 for projects costing over £12C million. Since then, four offers of assistance totalling £10.95 million had been approved for projects costing over £102 million.

In 1976-77 the provisional outturn for expenditure on general support to industry in those areas which fell within his department's responsibility, was £348.3 million, net of receipts, including £84.9 million for selective assistance to individual industries firms and undertakings, and £25.6 million for investment grants.

In 1976-77 the provisional outturn for expenditure in those areas of regional support and regeneration which fell within his department's responsibility was £428.2 million net of receipts. This figure did not include that regional expenditure in Scotland and Wales which was the responsibility of the Scottish economic planning department and the Welsh office industry department.

Assistance for innovation and research

Dr Oonagh McDonald (Thurrock) asked how much financial assistance to industry had been given as support for industrial innovation and general industrial research and development in 1976-77.

Mr Huckfield said that in 1976-77 the provisional outturn for expenditure in those areas of industrial innovation which fell within his department's responsibility, was £148.1 million, net of receipts, including £35.6 million for general industrial research and development.

Proposed Hitachi factory

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Industry in the light of Hitachi's announced withdrawal of plans to develop a factory at Washington, County Durham, for a statement on the proposals that were made by the government to the Hitachi company during the negotiations.

Mr Cryer said that it was the government's policy, while welcoming all inward investment, to seek to ensure the maximum advantage to the economy from new manufacturing enterprises set up in the United Kingdom by foreign companies. In conformity with that policy the government had been glad to receive the assurances given by Hitachi in respect of the colour television factory they proposed to set up at Washington New Town. Hitachi had undertaken to maximise its use of components manufactured in the United Kingdom (including television tubes where available), to export 50 per cent of its production, to substitute by UK production the major part of its present imports of television sets and to consult with the government about future expansion plans.

Directive on shipbuilding aids

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Industry what was the government's policy on the EEC commission's fourth draft directive on shipbuilding aids; when he expected the council of ministers to consider the adoption of the directive; and whether he would make a statement on the compatability of British policy on shipbuilding aid with EEC policy.

Mr Huckfield said that the government were broadly in agreement with the objective of the draft directive and would therefore wish it to be adopted as soon as the detailed provisions had been agreed. It was expected to be submitted to the council of ministers by the end of this year. The United Kingdom's measures for shipbuilding had been approved by the European commission.

Expenditure on civil airfields

Gwynfor Evans (Carmarthen) asked what was the total amount expended to assist civil airfields in England, Scotland and Wales, respectively, between 1964 and 1977.

Mr Clinton Davis gave the following information:

	£ million
England	2.9
Scotland	36.5
Wales	—

Airport strategy

Alan Haselhurst (Saffron Walden) asked the Secretary of State for Trade when he expected to publish the white paper on Airports Strategy; and what representations he had received in respect of it.

Mr Clinton Davis said that the secretary of state hoped to publish the white paper early in 1978. Representations on the airport strategy consultation document were received from many of the 1000 organisations and individuals which had been invited to comment.

Imports of paperboard

Robin Corbett (Hemel Hempstead) asked what, in each of the last five years,were the total imports by volume and value of: (a) finished coated board and (b) coated board in reel form from countries outside of the EEC and Efta, listed by name; and what were comparable imports from the EEC and Efta countries within and in excess of quota arrangements.

Mr Meacher said that the overseas trade statistics did not distinguish between finished and unfinished paperboard or (with one exception) between reels and sheets. They also indentified only a few kinds of coated paperboard. The extent of the available information was indicated under SITC(R) item 641.95 in the *Guide to the Classification for Overseas Trade Statistics*.

Harmonsation of export credits

Kenneth Clarke (Rushcliffe) asked the Secretary of State for Trade whether he would make a statement on the progress that was being made towards harmonisation of the export credit guarantee and export credit insurance systems of the member states of the EEC.

Mr Meacher said that the harmonisation of export credit facilities had been the subject of continuing discussions within the community for some years. The commission had recently tabled new proposals for harmonising certain principles of export credit insurance. These proposals had yet to be examined in detail within the community and the work involved was likely to continue for some time.

Support for international trade

Dr Oonagh McDonald (Thurrock) asked how much financial assistance has been given to industry in the form of international trade support in 1976-77.

Mr Meacher said that the best measure of this assistance was expenditure by the British Overseas Trade Board and the Export Credits Guarantee Department. In 1976-77 direct expenditure on export promotion by the British Overseas Trade Board had amounted to £15,166,969, net of receipts. Net expenditure by the Export Credits Guarantee Department in support of export business had amounted to £472,406,068.

Export and shipbuilding credit scheme

Gordon A. T. Bagier (Sunderland South) asked the Secretary of State for Trade for a statement on the review of the fixed rate sterling export and shipbuilding credit scheme.

Mr Dell said that under an agreement with the government the clearing banks made finance available at fixed rates of interest for exports sold on credit terms of two years or more and which were guaranteed by the Export Credits Guarantee Department. Since 1972, ECGD had operated a scheme under which it refinanced a proportion of such lending which was determined in relation to the banks' deposit base, and also guaranteed the banks a commercial rate of return on their unrefinanced lending. Fixed rate finance was also provided for home shipbuilding sales under a parallel scheme administered by the Department of Industry. The agreement with the clearing banks was last reviewed in 1974 and fell to be reviewed again this year. The government's objective had been to reduce public expenditure on refinancing which had increased substantially over recent years. Renegotiations with the clearing banks had now been successfully concluded.

The clearing banks had agreed to increase further during the rest of this financial year their own unrefinanced contribution to the existing scheme. A new scheme would be introduced on 1 April 1978. Under this scheme the banks would carry substantially more of the lending on their own books without refinancing. Government expenditure on refinancing would be reduced in consequence: the effect would be shown in the white paper on public expenditure to be published next month.

Under the new scheme, eligibility both to arrange lending syndicates and to provide finance would, subject to ECGD's customary underwriting discretion, be open to all banks which were authorised by the Bank of England under the Exchange Control Act 1947 and were registered as companies in the UK. The fixed rates of interest charged to borrowers and exporters would not be affected by these changes. The foreign currency financing programme for exports would also continue unchanged. The government was satisfied that adequate finance would continue to be available for fixed rate credit and other priority purposes. The Secretary of State for Industry had asked him to confirm on his behalf that these new arrangements would also apply to home shipbuilding credits. Banks also made available finance for short term export credit of under two years, guaranteed by ECGD. The government had agreed that the interest on such finance could be raised from ½ per cent to a maximum of ⅞ per cent above base rate.

Price Commission and EEC rules of competition

Teddy Taylor (Glasgow, Cathcart) asked the Secretary of State for Prices and Consumer Protection what advice he could give to manufacturers of Scotch whisky who were contemplating increasing their prices in the UK to conform with EEC instructions but who might in consequence receive instructions from the Price Commission to reduce their prices; and if he would make a statement.

Mr Maclennan said that the government was in very close touch with this matter. However the EEC had given no such instruction and it would be for the company concerned to consider whether any changes might be needed in their system of pricing to conform with any decision by the European commission under the EEC rules of competition. When considering proposed price increases notified to them the Price Commission take account of all relevant circumstances before deciding upon an investigation.

Petrol pricing

David Young (Bolton East) asked the Secretary of State for Prices and Consumer Protection if he would refer to the Price Commission the practice of pricing petrol in decimals of pence per gallon as being against consumer interests; and if he would make a statement.

Mr Maclennan said that the secretary of state was watching carefully the operation of the Petrol Prices (Display) Order 1977, including the question of pricing in decimals of a penny. He did not think it was necessary to refer the question to the Price Commission.

Report on school clothing

Ivor Clemitson (Luton East) asked the Secretary of State for Prices and Consumer Protection what action had been taken following the Price Commission report on prescribed school clothing.

Mr Maclennan replied that the commission found that prices of school clothing had generally not increased by more than the increase in the retail price index for clothing over the past three years. They concluded that school-wear was no more profitable to retailers and manufacturers than other children's wear, and that this was true for retailers who were nominated by a particular school as well as for those who were not nominated. The bill for school clothing therefore depended largely on the amount and nature of the articles of clothing which were prescribed; and the only way to alleviate the burden of expenditure was to reduce the number of articles prescribed, or to rely more on the standard articles, or by a combination of both. Many of the responsibilities associated with school clothing rested with the local authorities and with the schools themselves. With the agreement of the Secretary of State for Education and Science, the Secretary of State for Scotland, the Secretary of State for Wales and the Secretary of State for Northern Ireland, Mr Maclennan said that he was arranging for copies of the report to be circulated to all appropriate education authorities in the UK, as well as to certain other educational bodies. The report was relevant both to the private and to the public sector of education, and he urged both sectors to take it into account in planning future requirements for school uniforms.

Friday, 16 December

Financial targets for British Airways

Michael Marshall (Arundel) asked what were the financial targets set for the British Airways Board and its predecessors, BOAC and BEA, in terms of net assets over the last 10 years; and how well the corporation had done in meeting those targets after interest payments, depreciation and tax had been allowed for.

Mr Clinton Davis replied that BOAC was set a target of 12.5 per cent per annum return on average net assets for the six years 1966-67 to 1971-72. An average of 10.6 per cent had been achieved. The targets for BEA had been 6 per cent for the five years 1963-64 to 1967-68, and 8 per cent for the four years 1968-69 to 1971-72. Averages of 5.7 per cent and 6.4 per cent had been achieved respectively. British Airways first target had been 8 per cent for the three years 1972-73 to 1974-75 and an average of 6.5 per cent had been achieved. A target of 11 per cent had been set for the four years from 1975-76. So far, the returns had been 1.7 per cent in 1975-76 and 16.4 per cent in 1976-77. The targets were based conventionally on profits after charging depreciation and interest on short-term borrowings, but before charging interest on long-term borrowings and taxation.

Multi-fibre arrangement

John Roper (Farnworth) asked the Secretary of State for Trade if he would make a statement on the outcome of the negotiations on the multi-fibre arrangement's prolongation and the effects of this on the future prospects of the British textile industry.

Mr Dell said that the European commission had completed its discussions on quota levels with 28 low cost suppliers. The UK and other member countries were now assessing the results and the EEC council of ministers would decide on 20 December their position on renewal of the multi-fibre arrangement.

London Capital Group Ltd

Arthur Lewis (Newham North West) asked the Secretary of State for Trade whether, in view of the report on the Stonehouse companies and the criticism of Sir Charles Hardie and others, what further action he intended to take concerning those severely criticised in the report.

Mr Clinton Davis said that copies of the report were forwarded to the professional bodies of those concerned, drawing attention to the conduct of their members. The report had been considered by the Director of Public Prosecutions who had informed his department that no further prosecutions were contemplated in respect of the affairs of London Capital Group Ltd and associated companies.

Imports of tinned foods

Nigel Spearing (Newnham South) asked the Secretary of State for Trade what was the current ad valorem *duty on: tinned salmon from Canada, tinned pineapple from Malaysia, tinned stewing beef from Australia, and tinned peach slices from the United States of America; and what was the current duty in pence per unit weight of each item.*

Mr Meacher said that the current *ad valorem* duties were as follows:

	%
Tinned salmon from Canada	7
Tinned stewing beef from Australia	26
'Tinned pineapples from Malaysia:	
containing added spirit	25.6
Not containing added spirit:	
containing added sugar:	
in immediate packings of a net capacity:	
of more than 1 kg	17.6
of 1 kg or less	19.2
Not containing added sugar	18.4

' Under the EEC's generalised system of preferences for developing countries for 1977, of which Malaysia is a beneficiary, tinned pineapple containing added spirit is subject to a special rate of duty of 8 per cent. Preserved pineapple in slices, half slices or spirals, not containing added spirit, is subject to a special rate of 12 per cent within a quota. The UK share of the quota is 2 430 metric tons. For preserved pineapple other than in slices, half slices or spirals, not containing added spirit, the rate within a quota is 9.6 per cent and the UK share of the quota is 24 912 metric tons. If a quota becomes exhausted before the end of the year the rates of duty shown above would apply.

	%
Tinned peaches from USA:	
Containing added spirit:	
containing added sweetening matter	26.8
other	25.6
Not containing added spirit:	
containing added sugar:	
in immediate packings of a net capacity:	
of more than 1 kg	18.8
of 1 kg or less	20.4
not containing added sugar:	
in immediate packings of a net capacity:	
of 4.5 kg or more	15.2
of less than 4.5 kg	18.4

None of the duties on these items is expressed in value per unit weight.

Official visits to EEC

Iain Sproat (Aberdeen South) asked the Secretary of State for Prices and Consumer Protection if he would give the number of official journeys civil servants of his department made in each quarter of 1976 and the first three quarters of 1977, by each quarter, between the United Kingdom and other parts of the EEC, on matters consequent on the United Kingdom's membership of the EEC; and what had been the total cost of all these journeys in 1976 and in 1977 so far, respectively.

Mr Maclennan said that figures for the number of journeys were not readily available and could not be provided except at a disproportionate cost. The following figures for costs, however, illustrated the general pattern:

£ sterling

	Cost	EEC refunds	Net cost
1976			
1st qtr	6 750	4 250	2 500
2nd qtr	5 000	2 500	2 500
3rd qtr	5 250	1 500	3 750
4th qtr	7 000	4 000	3 000
1977			
1st qtr	6 500	3 250	3 250
2nd qtr	6 000	2 250	3 750
3rd qtr	2 500	1 750	750

Iain Sproat (Aberdeen South) asked the Secretary of State for Trade if he would give the number of official journeys civil servants of his department made in each quarter of 1976 and the first three quarters of 1977, by each quarter; between the United Kingdom and other parts of the EEC, on matters consequent on the UK's membership of the EEC; and what had been the total cost of all these journeys in 1976 and in 1977 so far, respectively.

Mr Clinton Davis said that figures for the number of journeys were not readily available and could not

be provided except at a disproportionate cost. The following figures for costs, however, illustrated the general pattern.

£ sterling

	Cost	EEC refunds	Net cost
1976			
1st qtr	25 250	12 000	13 250
2nd	12 500	5 000	7 500
3rd	12 000	5 000	7 000
4th	24 750	13 000	11 750
1977			
1st qtr	19 750	9 000	10 750
2nd	20 500	9 000	11 500
3rd	7 500	3 000	4 500

Iain Sprout (Aberdeen South) asked the Secretary of State for Industry if he would give the number of official journeys civil servants of his department made in each quarter of 1976 and the first three quarters of 1977, by each quarter, between the UK and other parts of the EEC, on matters consequent on the UK's membership of the EEC; and what had been the total cost of all these journeys in 1976 and in 1977 so far, respectively.

Mr Kaufman said that figures for the number of journeys were not readily available and could not be provided except at a disproportionate cost. The following figures for costs, however, illustrated the general pattern.

£ sterling

	Cost	EEC refunds	Net cost
1976			
1st qtr	28 500	14 000	14 500
2nd	35 000	17 000	18 000
3rd	27 500	13 000	14 500
4th	39 000	20 000	19 000
1977			
1st qtr	36 000	17 000	19 000
2nd	39 250	18 000	21 250
3rd	23 000	7 000	16 000

Supply of flour in the UK

Jim Craigen (Glasgow, Maryhill) asked the Secretary of State for Prices and Consumer Protection what consideration his department had given to the report by the Monopolies and Mergers Commission on the supply in the United Kingdom of wheat flour and of bread made from wheat flour.

Mr Fraser replied that the Monopolies and Mergers Commission had concluded that neither the monopoly conditions which existed in the supply of flour nor any things done as a result of, or to preserve, those conditions operated or might be expected to operate against the public interest. The commission had also concluded that monopoly conditions did not exist in the supply of bread. In the absence of any finding of adverse effect on the public interest there were no grounds for action by the secretary of state.

Prosecutions under Trade Descriptions Act

David Mitchell (Basingstoke) asked the Secretary of State for Prices and Consumer Protection how many firms or sole traders had been prosecuted under the consumer protection legislation for charging a price for goods or services different from the advertised price; how many of the prosecutions had related to the addition of value added tax to the advertised price; and how many had related to failure to take account of special offers advertised by the manufacturer.

Mr Fraser said that he had been informed by the Director General of Fair Trading that the following successful prosecutions under the Trade Descriptions Act 1968 for false price claims in respect of goods had been notified to him by the enforcement authorities:

Year	Number of convictions	Amount of fines (£)
1975	415	35 700
1976	422	34 721
1977 (to end November)	379	37 038

The information was not available in a form which allowed the numbers of specific types of offences to be identified. Nor was there a record of the total number of prosecutions brought, including those which were unsuccessful. Although the act prohibited false or misleading indications of the prices of goods, there was no comparable provision about the prices of services or facilities. This was one of the matters dealt with in the *Review of the Trade Descriptions Act* (Cmnd 6628), which was being considered in his department.

Increase in milk subsidy

Sydney Irving (Dartford) asked the Secretary of State for Prices and Consumer Protection whether, in view of the announcement by the Minister of Agriculture, Fisheries and Food on 9 December 1977 of an increase in the milk subsidy, any change was envisaged in the relevant cash limits.

Mr Hattersley replied in the affirmative. He said that the cash limit on block DPCP 2 for 1977-78 was being increased from £220.5 million to £243.5 million.

Increased charges for export services

Tom Arnold (Hazel Grove) asked what increased charges to businessmen for export services had recently been imposed arising from the Central Policy Review Staff's review of overseas representation.

Mr Meacher said that there were none. The latest increases in charges announced by the British Overseas Trade Board on 4 August had already been decided in the light of consultation with industry before the CPRS review was published.

AA subscriptions and charges

Arthur Lewis (Newham North West) asked the Secretary of State for Trade whether, as he had power to supervise subscriptions, charges and increases to the Automobile Association, what action he had taken, or intended taking, in view of the association's decision once again to increase subscriptions by 15 per cent in view of this being contrary to the government's 10 per cent guidelines.

Mr Clinton Davis said that he was aware of the Automobile Association's intention. The AA was authorised as an insurance company under the Insurance Companies Act 1974; the AA's charges were therefore regarded as insurance premiums for the purposes of counter-inflation policy; as such, they were subject to the secretary of state's powers under section 9 of the Counter-Inflation Act 1973. There were, however, no grounds for intervention in this case.

Scottish steel works

James Sillars (South Ayrshire) asked the Secretary of State for Industry if he would list the Scottish steel works operating in 1964, showing the nature of their products and output and their manpower; and if he would publish the latest available list providing similar information.

Mr Kaufman said that he regretted that details of manpower and output of Scottish steel works in 1964 were not available. Contemporary information on the products made at the works was set out in the publication *Iron and Steel Works of the World* (fourth edition, published by Metal Bulletin Books Ltd in 1965). He said that tonnage output by works was commercially confidential, but that the latest available information on manpower and products made at the British Steel Corporation's Scottish steel works was as follows:

Works	Manpower	Products
Dalzell	1 520	Plates
Lanarkshire	447	Section and Billets
Clydebridge	1 350	Plates
Glengarnock	1 047	Rails, sections, flats & billets
Ravenscraig	6 030	Strip
Clydesdale	3 682	Tubes
Halleside	561	Billets and some ingots for plates
Craigneuk	1 300	Steel foundry, bars & some ingots for plates

(The data includes aggregation of figures for some smaller works).

Contrats de croissance

Mr T. H. H. Skeet (Bedford) asked the Secretary of State for Industry what study had been made in the context of UK industrial planning strategy of contrats de croissance in France and analogous instruments of intervention in other EEC countries; whether any practices of which information was gained had been adopted in UK policy; and if he would make a statement.

Mr Cryer said that a study of the various instruments of intervention applied in EEC and other countries was made during the period leading up to the establishment of the 1975 Industry Act. Measures of this nature were kept under constant review. The 'contrats de croissance' concept had been looked at to see if it was relevant to the UK situation. These arrangements were between the French government and companies and bore some resemblance to planning agreements. Italy and Belgium had similar arrangements. Officials at the Department of Industry continuously reviewed and discussed with those of the respective governments, the progress and success of 'contrats de croissance' and other measures. The government's view was that planning agreements would be of great assistance in industrial strategic planning.

Quota usage of Hong Kong textile exports

Kenneth Clarke (Rushcliffe) asked what percentage of the quotas set for Hong Kong exports of textiles to each of the member states of the EEC had been utilised in each of the last three years.

Mr Meacher said that quota-usage figures for other EEC member states were not available and gave the following information for the UK:

Quota usage (%)

Product category	Product description	1975	1976	1977 Jan-Oct
1	Woven fabrics of cotton other than gauze, terry towelling etc) or of man-made fibres (discontinuous or waste) – bleached and unbleached	105	59	54
2	Woven fabrics of cotton (other than guaze, terry towelling etc) or of man-made fibres (discontinuous or waste) – other than bleached and unbleached	83	96	45
3	Knitted shirts T-shirts, undervests singlets and the like	122	93	71
4	Jerseys, pullovers, slip-overs, twinsets, cardigans, bed-jackets and jumpers (knitted or crocheted)	115	94	65
5	Other knitted or crocheted outer garments	129	80	40
6	Raincoats of the overcoat type	33	85	31
7	Men's suits, jackets, blazers, etc	89	67	29
8	Trousers, jeans etc	93	106	69
9	Women's coats and jackets	119	46	19
10	Dresses and skirts	86	66	19
11	Women's shirts and blouses	132	85	40
12	Men's woven shirts	96	84	60
13	Pyjamas and night garments	97	102	79
14	Bed linen, table linens, toilet and kitchen linens	55	32	8
16	Other knitted or crocheted under garments	127	74	53
17	Waterproof garments and raincoats other than raincoats of the overcoat type	38	64	55
18	Work clothing	92	49	52
19	Articles of apparel used for sports	44	112	66
20	Other men's and boys' undergarments	13	58	18
21	Other undergarments	22	19	15

It is possible for quota usage for particular categories to exceed 100% because the EEC/Hong Kong agreement contains provisions allowing Hong Kong to exceed particular quota limits in a particular year by certain fixed percentages through a combination of anticipation of the following year's quota carry-over of unused quotas from the preceding year and transfer between quotas.

BSC financial targets

Michael Marshall (Arundel) asked what were the financial targets set for the British Steel Corporation in terms of net assets over the last 10 years; and how well the corporation had done in meeting those targets after interest payments, depreciation and tax had been allowed for.

Mr Huckfield said that a specific financial target had been set for the British Steel Corporation only for the four year period 1973-74 to 1976-77. This was an 8 per cent average return on net assets after depreciation, but before charging long-term interest, tax and certain exceptional costs. An average of 2.45 per cent had been achieved.

ICI/Gas Board agreement

Thomas Swain (North East Derbyshire) asked the Secretary of State for Industry what effect he estimated the agreement made between ICI and the Gas Board would have on the price of fertilisers, particularly nitrogenous fertilisers.

Mr Cryer said that he understood that ICI Ltd intended to increase the prices of their fertilisers, in particular nitrogenous fertilisers, and had notified the Price Commission accordingly.

British Leyland bus and truck group

George Rodgers (Chorley) asked if a decision had been taken on proposals to improve research and development facilities in the British Leyland bus and truck group.

Mr Huckfield said that the secretary of state had

given the NEB his consent to a programme to provide a centralised engineering services facility at Leyland in Lancashire, at a cost of around £34 million. This facility, which would match those available to Leyland's competitors, would make a major contribution to improving the technical competitiveness of Leyland truck and bus products in worldwide markets.

State aid to industry

Mike Noble (Rossendale) asked the Secretary of State for Industry if he would update the information on the level of state aid to industry showing loans and grants separately for, respectively, investment grants, local employment acts and initial tax allowances, regional employment premium, selective employment premium, export rebates, export credit guarantees, military aircraft and missiles, research and development, civil aircraft and other research and development, IRC and shipbuilding reconstruction and mergers, industrial training, and agriculture, fisheries and forestry.

Mr Cryer gave the following information:

£ million

Item (Identified as in answer given on 23 October 1975)	Sub-division (where applicable)	Years 1975-76	1976-77 (Provisional)
Investment grants [1]		56.4	24.0
Local employment acts [2]		15.8	12.6
Civil aerospace and other R & D [3]		259.9	1[illegible]
Industrial reorganisation corporation [4]		−1.0	−1.6
Shipbuilding industry special assistance [5]	Grants	9.5	6.4
	Loans	29.0	6.9
	Purchase of shares	7.0	3.4

(All figures are at historic prices and net of repayment.)
[1] Excludes payments to public corporations. [2] Includes loans, grants and provision of land and buildings. A breakdown between loans and grants is not readily available. [3] Includes expenditure on civil aerospace and on general industrial research and development. [4] Figures represent receipts from repayment of loans and disposal of shares, together with interest and dividends, but excludes the value of loans and shares transferred to the NEB. [5] Figures include all assistance given specifically to the shipbuilding industry including that under part II of the Industry Act 1972. They exclude support (such as investment grants) available to industry generally. The 1975-76 figures for purchases of shares includes conversion of loans made in 1974-75.

Waste paper utilisation in OECD countries

John Ovenden (Gravesend) asked the Secretary of State for Industry what was the rate of waste paper utilisation expressed as a percentage of the furnish of paper consumed in the United Kingdom in the last year for which figures were available; and how this compared with other Organisation for Economic Co-operation and Development countries.

Mr Cryer said that no information was available about the proportion of waste paper contained in the furnish of paper consumed in the UK or other OECD countries. It had been possible to calculate from OECD statistics the following figures showing the usage of waste paper as a percentage of each country's production of paper and paperboard. The latest data available related to the year 1975. However the comparable UK figure for 1976 was 49.5 per cent according to industry sources.

	% 1975
Denmark	52.5
Netherlands	51.6
United Kingdom	46.8
Federal Republic of Germany	45.9
Japan	44.9
Spain	44.6
Irish Republic	44.3
Italy	41.5
Switzerland	37.5
France	36.0
Austria	28.2
Belgium/Luxembourg	20.9
United States of America	18.5
New Zealand	15.4
Sweden	9.6
Norway	9.1
Canada	6.8
Finland	4.0
Greece	2.2
Australia	0.5
Portugal	—
Turkey	—

Cost of Concorde project

Peter Hardy (Rother Valley) asked what was the total amount of public expenditure incurred in respect of Concorde up to the latest date for which figures were available.

Mr Huckfield said that the net cost to the government of the Concorde project up to 31 October 1977 was £727 million.

PO postal financial targets

Michael Marshall (Arundel) asked what were the financial targets set for the Post Office's postal business in terms of net assets over the last 10 years; and how well the Post Office had performed in meeting those targets after allowing for interest payments, depreciation and tax.

Mr Kaufman said that for the period from 1963/64 to 1967/68 there was a financial target for the Post Office as a whole of a rate of return on net assets of 8 per cent. This was defined as profit before interest but after depreciation at historic cost, expressed as a percentage of average net assets at historic costs. In 1967/68 the return achieved by the postal business on this basis was 9.1 per cent. For the period 1968/69 to 1972/73 the postal business had a financial target of a 2 per cent margin over expenditure. This margin was defined as profit after interest, historical and supplementary depreciation as a percentage of expenditure. Since 1973/74, there had been no agreed financial target for the postal business. This matter was under review at the present time. The postal business had achieved positive returns on net assets, on the same basis as the target which existed for the period 1963/64 to 1967/68, in the following years:

Year	Return on assets
1968/69	2.0%
1971/72	6.9%
1975/76	8.0%
1976/77	17.2%

PO telecommunications financial targets

Michael Marshall (Arundel) asked what were the financial targets set for the Post Office's telecommunications business in terms of net assets over the last 10 years; and how well the Post Office had performed in meeting those targets after allowing for interest payments, depreciation and tax.

Mr Kaufman said that for the period from 1963-64 to 1967-68 there was a financial target for the Post Office as a whole of a rate of return on net assets of 8 per cent. This was defined as profit before interest but after depreciation at historic cost, expressed as a percentage of average net assets at historic costs. In 1967-68 the return achieved by the telecommunications business on this basis was 7.3 per cent. For the period 1968-69 to 1969-70 there was a target of a rate of return on net assets of 8.5 per cent for telecommunications alone. This target was changed on 1 July 1970 to 10 per cent, and remained in force until 1972-73. These targets were defined in the same way as the earlier target. The rates of return achieved in those years by Post Office telecommunications on this basis were as follows:

1968-69	8%
1969-70	8.4%
1970-71	9.8%
1971-72	8.6%
1972-73	6.9%

There was no financial target for Post Office telecommunications for the years 1973-74 to 1975-76 inclusive. A new financial target for Post Office telecommunications had been announced by the secretary of state on 23 December 1976 for the three years 1976-77 to 1978-79. The target was a real rate of return of 6 per cent, defined as profit before interest but after historic and supplementary depreciation, as a percentage of average net assets revalued to replacement cost. The real rate of return achieved on this basis in 1976-77, after allowing for £100 million rebate to subscribers, was 6.6 per cent.

Departmental use of Giro facilities

John Cartwright (Greenwich, Woolwich East) asked the Secretary of State for Industry, the Secretary of State for Trade, the Secretary of State for Prices and Consumer Protection, and the Secretary of State for Energy, to what extent their departments made use of Giro facilities; what was the estimated annual value of such Giro transactions; and what regular consideration was given to extending the use of Giro.

Mr Huckfield said that the departments of Industry, Trade and Prices and Consumer Protection and Energy shared common accounts services. National Giro was used where the payee so requested and where it was the most efficient and economical method. The value of transactions using National Giro facilities had been £15.15 million in 1976-77 in respect of the four departments. Separate information for each department could not be provided without incurring disproportionate expense. Alternative money transmission methods were reviewed regularly using criteria of efficiency and overall cost.

Second directive on company law

Timothy Smith (Ashfield) asked the Secretary of State for Trade what views he had received on (a) whether it would be desirable to provide that at any time within the 15 month period but before the registrar had issued a revised certificate following an application by the company it should be lawful for the company to use its existing name and the new name interchangeably, as requested in paragraph 19(c) of his department's explanatory and consultative note 'Implementation of the second EEC directive on company law'; (b) whether the minimum period allowed to shareholders to exercise their pre-emptive rights should be more than 14 days from the time that the offer was posted to them, as requested in paragraph 71 of his department's explanatory and consultative note; (c) whether, if clause 55 of the Companies Bill 1973 were to be enacted in order to comply with article 25 of the directive, authorisations to issue authorised capital should not remain valid for some longer period, but not more than five years, than was specified in sub-clause (3), as requested in paragraph 60 of his department's note; (d) his department's proposed definition of repurchase of shares or debentures from the public contained in paragraph 17 of its note; (e) the recommendation made in the Jenkins committee report on company law that no further companies limited by guarantee and having a share capital should be registered, as requested in paragraph 24 of his department's note; (f) whether it should be necessary to provide any specific exemption for stock exchange acquisitions under article 11.3 from the requirements concerning acquisition of assets by the company from initial subscribers as requested in paragraph 41 of his department's note; (g) whether it was desirable to lay down in statute the rule that a company might not subscribe for its own shares, as requested in paragraph 50 of his department's note; (h) whether it was desirable to lay down that where a person subscribed for shares knowingly on behalf of a company, these shares should be forfeited, as requested in paragraph 50 of his department's note; (i) whether the proposal to prohibit new equitable liens and mortgages over a company's own shares was desirable and whether, if introduced, such a provision should apply either to banks and other companies whose ordinary business included the lending of money or to private companies, as requested in paragraph 58 of his department's note; (j) whether the transfer of the balance of any consideration other than cash promised in payment for shares should have to be made within a shorter time limit than five years, as requested in paragraph 29 of his department's note; (k) what comments he had received on his department's view, contained in paragraph 15 of its note that the statutory requirements of sections 109, 130 and 181 of the Companies Act 1948, in so far as they related to the formation ab initio of a public company, served no useful purpose and might be repealed or simplified; and (l) what views he had received on whether it was considered necessary to provide a three-year period for compliance with the minimum levels of subscribed capital of public companies which were already incorporated, as requested in paragraph 16 of his department's note.

Mr Clinton Davis replied that (a) there was general support for providing as much flexibility, as possible, but some doubts were expressed about the proposal in paragraph 19(c). on the grounds that companies, which subsequently failed to meet the requirements of a public company, would meanwhile have been using the designation of a public company. This objection did not apply to the proposal in paragraph 19(d), where the interchangeability of designations was available only after the change of status is approved; (b) the general view was that the 14 day period was too short, and that 21 or 28 days would be more appropriate; (c) most comments were in support of the full five year period, but there was also support for a shorter period; (d) the general view was that these proposals raised difficulties of principle and practice, and alternative proposals for the conversion of public companies to private companies were being formulated; (e) there was wide support for this recommendation; (f) a majority of those who commented did not think that it would be necessary to provide a specific exemption for stock exchange acquisitions; (g) there was general agreement that it was desirable for the statute law to lay down this rule; (h) most comments on this paragraph supported forfeiture; (i) there was wide support for prohibiting new equitable liens and charges, other than those for unpaid calls, but with an exemption for banks and other companies whose ordinary business included the lending of money – opinions were almost equally divided on whether private companies should also be exempted; (j) most comments were in support of the full five year period, but a minority suggested a shorter period; (k) there was wide support for the proposal to repeal or simplify these provisions; and (l) most of those who commented on this issue had proposed a reduction of the period to 15 months, though there was also support for maintaining the full three year period.

Overseas trade news

Strong growth in UK food exports

Britain's food industry expects to increase its export sales to Japan and Saudi Arabia by up to 50 per cent this year, compared to 1976, Edmund Dell, Secretary of State for Trade, told the British Food Export Council on 14 December.

Other markets where the growth in UK foodstuff exports has been particularly rapid include West Germany, Eire, the Netherlands and Canada. Mr Dell said that the industry is also adapting rapidly and successfully to meet the huge increase in demand for frozen foods from the markets of the Middle East. He urged the food industry to continue its efforts since the UK produced a smaller proportion of its own food than any leading industrial competitor.

African wages improve in British-owned subsidiaries

Edmund Dell, Secretary of State for Trade, in reply to a parliamentary question on 13 December, said that from information received by his department progress in improving African wages and some improvement on fringe benefits and other aspects mentioned in paragraph 5 of the white paper 'Wages and conditions of African workers employed by British firms in South Africa' had been made.

This assessment is based on reports published by British companies or on information sent to the Department of Trade between 1 January 1975 and 28 February 1977. Companies provided this material in response to an invitation in the white paper to publish information on the progress made by their South African subsidiaries towards attaining the level of African wages and other conditions of employment advocated in the code of practice defined by the trade and industry sub-committee on the select committee on expenditure report.

'T & I' index inquiries

Readers wanting to know when articles and items of information were published in *Trade and Industry* should consult the published indexes which are issued free to subscribers. For material published in recent months, inquiries of this kind can be made to the Department of Industry Library's indexing section, tel. 01-215 5842. (Alternative no 01-215 5051.)

New arrangements for ECGD-supported sterling export finance

New arrangements for sterling finance for exports with credit terms of two years or more will be introduced by the Export Credits Guarantee Department from 1 April 1978. This was announced by Edmund Dell, Secretary of State for Trade, in a written answer to a parliamentary question on 15 December.

Under these arrangements, the banks will carry, under ECGD guarantee, a substantially higher proportion of such finance, thus reducing the amount of ECGD refinancing. This change will not affect the terms on which exporters can provide medium and long-term credit to overseas buyers, which are now broadly governed by international agreement; neither does it affect the previously announced policy of switching the financing of certain longer-term export credits from sterling to foreign currencies.

Mr Dell also announced that, in response to representations from the clearing banks, there is to be a small increase ($\frac{1}{8}$ per cent) in the maximum interest rate for bank finance provided under ECGD guarantees for business on credit terms of less than two years.

ECGD guarantees $9.7m loan to South Korea

The Export Credits Guarantee Department has guaranteed the repayment and funding for a $9.7 million loan which Lloyds Bank International Ltd has made available to Hyundai Shipbuilding and Heavy Industries Co Ltd of South Korea. The loan will help finance contracts awarded by Hyundai to UK suppliers for capital goods and associated services for a marine diesel engine plant at Ulsan, South Korea.

The plant is designed to manufacture marine diesel engines ranging from 6000 to 66 000 bhp which will be used in South Korea's shipbuilding industry. Commissioning of the plant is scheduled for early 1980.

Exporters interested in this facility should contact Mr J. P. Smith of ECGD, tel. 01-606 6699, ext. 7348 or Mr J. S. Briggs of Lloyds Bank International, tel. 01-248 9822.

Insurance for very large overseas projects

A new insurance scheme for UK exporting industries carrying out very large overseas projects worth £50 million or more was announced by Edmund Dell, Secretary of State for Trade, on 15 December. He was answering a question in the House of Commons from Frank Hooley who asked if Mr Dell could now announce the results of the studies which had been carried out on the question of cover for the risks incurred by UK contractors arising from joint and several liability in very large overseas projects.

Mr Dell replied that for an experimental period of three years and on a selective basis, ECGD was now prepared to extend its facility, on payment of appropriate premium, to insure UK exporters against a proportion of such losses which might arise in a situation falling short of the actual insolvency of the UK sub-contractor or consortium partner, though excluding causes of loss which should properly be the subject of force majeure clauses. This facility will only be available for overseas projects which constitute particularly attractive export business in the national interest, of which the value is £50 million or more, and for which the UK participants have a demonstrable commercial capability.

Firms invited to take part in Baghdad trade fairs

Three international capital goods trade fairs are being held in Baghdad, Iraq in 1978 and the organisers are inviting interested firms to apply for space. The first international fair for ready-made clothes and accessories organised by the Iraqi Fairs Administration in association with the State Trade Organisation for Consumer Goods will be held from 7 to 16 April 1978.

Rental for covered space is ID 10 (approximately £20) per m² and for open space ID 6/500 (approximately £13) per m². Published closing date is 15 December 1977 but the organisers will be as flexible as possible with applications received after that date. Firms are advised, however, to make application as soon as possible and to consider a telex advice in advance of a formal application.

Interested firms may view the brochure issued by the fair authorities showing conditions of entry and also obtain copies of application forms from Fairs and Promotions Branch, Department of Trade, Hillgate House, 26 Old Bailey, London EC4, tel. 01-248 5757.

Completed application forms and any other requests for information or clarification on participation regulations should be addressed direct to the First International Fair for Ready made Clothes and Accessories, Baghdad international fair, Mansour, Baghdad, Iraq. Cable address: Almaaridh, Baghdad, tel. 37131/7 and 30051/9, telex Ministry of Trade, 2206 Mieconik.

The first international fair for hand tools and implements organised by the Iraqi Fairs Administration in association with the State Trade Organisation for Capital Goods will be held from 1 to 10 May 1978.

The state trade organisation proposes to place orders for 1978 requirements during the fair.

The same rental prices and closing date applies.

Completed application forms and any other requests for information or clarification on participation regulations should be addressed direct to the First International Fair for Hand Tools and Implements, Baghdad international fair, Mansour, Baghdad, Iraq, cable address, Almaaridh, Baghdad tel. 37131/7 and 30051/9, telex, Ministry of Trade, 2206 Mieconik.

There will also be a fair for chemical fertilisers, organised jointly by the state organisation for chemical industries and the Arab Federation of the Producers of Chemical Fertilisers, from 23 March to 30 March 1978.

The organisers want foreign companies that produce the equipment and materials used in the fertiliser industry as well as producing safety equipment, pollution, inspection, laboratory equipment and export authorities to take part.

Interested firms may view the brochure issued by the fair authorities showing conditions of entry and also obtain copies of application forms from Fairs and Promotions Branch, Department of Trade, Hillgate House, 26 Old Bailey, London EC4, tel. 01-248 5757. Completed application forms and any other requests for information or clarification on participation regulations should be addressed direct to First International Fair for Chemical Fertilisers, Baghdad international fair, Mansour, Baghdad, Iraq, telex: Ministry of Trade, 2206 Mieconik. Cable address: Almaaridh, Baghdad. Tel. 37131/7 and 30051/9.

Chinese trade minister: results of mission

Li Chiang, the Chinese Minister of Foreign Trade's visit to the UK, 28 November to 5 December, came at an important time in the development of the Chinese economy and in particular its foreign trade. Mr Li explained to British ministers that the defeat of the 'gang of four' had allowed the Chinese people to get to grips with the numerous practical problems which had been facing them for some years and they were now preparing to pursue vigorously the 'four modernisations' laid down by Chairman Mao in agriculture, industry, science and technology, and defence. Mr Li emphasised that their policy would remain basically one of relying on their own efforts and resources, but that in order to make up for lost time and achieve the needed momentum the Chinese were keen to learn from the experience of advanced industrialised countries and, where necessary, to import advanced machinery and technology. The mission was not a buying mission but one designed to emphasise China's new determination to push ahead economically and to allow senior members of the Chinese government to see for themselves what advanced western countries like the UK had to offer which could be of assistance in meeting their national aims.

Li Chian was accompanied by Yuan Pac-Hua, vice-chairman of the state planning commission; Chen To-Pin, director of the third department of the ministry of foreign trade, and other members of the ministry and state planning commission.

From the point of view of the UK the visit was an excellent opportunity to assure a very senior member of the Chinese government of the UK's goodwill towards China and willingness to co-operate in economic and trade matters. It was also the opportunity to help underline for the benefit of visitors the great improvements in the UK economy which had occurred over the last few years and the proven ability of UK companies to compete effectively on price, quality and delivery over a wide range of industrial products and technology.

This message had been carried to China earlier in the autumn by Lord Nelson who led a sino-British trade council mission of senior British businessmen and then by Lord Roll who led a delegation of senior British industrialists and bankers.

Both the missions were received most hospitably and had useful discussions on the new situation in China and its consequent new opportunities for co-operation with a wide range of Chinese ministers and officials in ministries, specialist technical bodies, trading corporations, the Bank of China and the host body – the China Council for the Promotion of International Trade. They also met Vice-Premier Wang Chen for a general discussion of the political and economic background to the current scene.

Tariff quotas 1978

The following correction should be made to the notice *Tariff quotas 1978; paper and board and certain printed products originating in Efta countries (and Finland)* in *Trade and Industry*, 16 December 1977, page 575. Finland, under CCT heading 48.07, quota 8748 should read 'of which not more than 7500 tonnes other mechanical' instead of '. . . tonnes other than mechanical' and under CCT heading 48.01 F, quota no. 2265, should read 4801.8440 – not 4801.8400.

Road haulage permits required for Turkey

Permits will be required for road haulage to and through Turkey with effect from 1 January 1978, the Department of Transport announced on 13 December. This is in accordance with the terms of the road transport agreement recently signed with Turkey.

The permits will be available on demand from the International Road Freight Office in Newcastle to whom all applications should be addressed. The usual fee of £2.50 per permit will be charged. Applications for permits for journeys to Turkey and the Middle East already being processed will be dealt with automatically.

Ivory Coast market report

In the map published with the Ivory Coast market report in last week's *Trade and Industry* (page 579), the figures in the scale should read 200 miles and 300 km.

Mersey docks keep 1978 increase down

Increases in port charges at the Mersey docks are being kept down to an average of less than 10 per cent for 1978. Some port customers will in fact find no increase at all to present rates.

Under a new system which allows more flexibility in pricing, the Mersey Docks and Harbour Co will also negotiate special concessionary terms for customers guaranteeing a regular level of throughput. The revised charges are effective from 1 January 1978 and the dock company hopes to hold them throughout 1978. The charges concerned are for dues on vessels, goods and conservancy. There is no intention at present to make any increase in charges for stevedoring or master porterage.

BOTB chairman at Export Clubs luncheon

Sir Frederick Catherwood, chairman of the British Overseas Trade Board, speaking at the AGM of Export Clubs luncheon at the Cumberland Hotel on 2 December.

Steady rise for UK aerospace exports

Exports of Britain's aerospace industry in the first 10 months of this year were only £46 million short of the total for the whole of last year, according to figures just published by the Society of British Aerospace Companies.

After establishing a new record of £107,635,000 for overseas deliveries in September, the industry exported products worth £93,026,000 in October – the third highest monthly figure and up £22 million on that month last year. Total for the year to date is now nearly £115 million above that for the same period in 1976.

Double taxation convention agreed with Irish Republic . . .

A double taxation convention between the UK and the Irish Republic covering capital transfer tax and capital acquisitions tax was signed in London on 7 December 1977.

The convention is subject to approval by the House of Commons.

. . . and Ghana . . .

A new comprehensive double taxation convention between the United Kingdom and the Republic of Ghana for the relief of double taxation in respect of taxes on income and capital gains, which will replace the existing arrangement made with the Gold Coast in 1947, was signed in London on 29 November 1977. The convention is subject to approval by the House of Commons. The text of the signed convention will be published in due course as a schedule to a draft Order in Council.

. . . and talks continue with the Netherlands

Discussions at official level have been held in The Hague during the week beginning 28 November about a new double taxation convention covering taxes on the estate of deceased persons and on gifts, to replace the existing death duties convention.

A wide measure of agreement was reached and the discussions will be resumed in London during the coming year.

Engineering trade missions

The Engineering Industries Association in conjunction with the British Overseas Trade Board is mounting a range of trade missions next year, designed to cater for engineers. Missions will be going to the People's Republic of China, 18 February to 6 March 1978; Hong Kong and Singapore, 3 to 18 March 1978, first working week in Hong Kong, coinciding with the British industrial exhibition (6 to 11 March); north America, USA and Canada, 1 to 15 April 1978, first working week in Chicago, second week in Toronto; South Africa, 6 to 21 May 1978, mission based in Johannesburg; Middle East, 25 May to 16 June 1978, mission spends first week based in Beirut, second week in Tehran and third week in Baghdad.

Full details can be obtained from the Export Section, Engineering Industries Association, Equitable House, Lyon Road Harrow, Middlesex HA1 2HG, tel. 01-863 9188.

Hevac makes 1978 Export Year

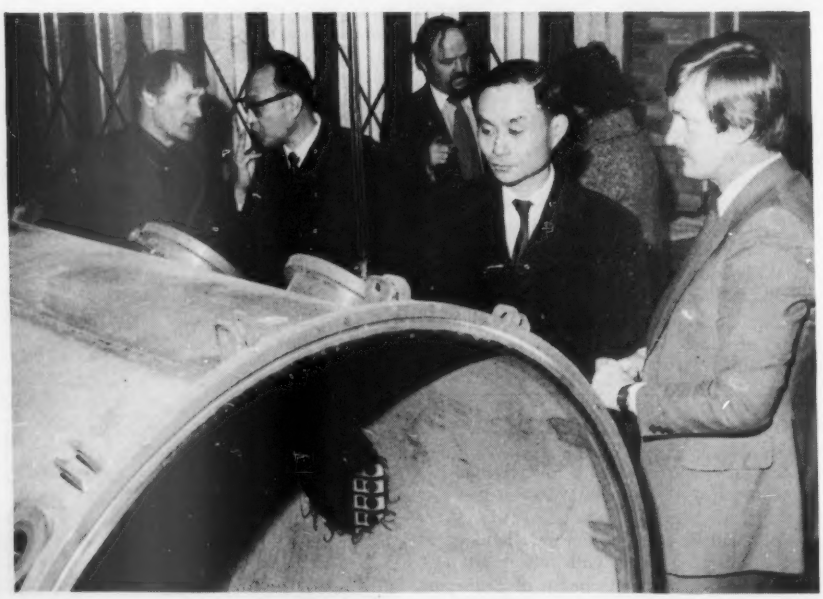
Export Year for the Heating, Ventilating and Air Conditioning Manufacturers Association (Hevac) will be 1978. Details of the association's plans for the year, which include an export award, a product selector guide and increasing participation in overseas trade promotions, were announced by the association on 7 December.

Welcoming the association's initiative, Kim Kimber, a director of the British Overseas Trade Board's Export Services and Promotions Branch said at the launch that Hevac was the first trade association to announce a programme designed, not only to build on the foundations laid in Export Year, but to give practical backing to member companies whose efforts would be essential to achieving their industrial strategy targets.

Mr Kimber said Export Year had seen 2400 companies demonstrating the benefits of co-operation in their factories and offices to improve their export earnings. Many of the companies who had decided to get involved were determined to see the impetus maintained into 1978 and beyond. The British Overseas Trade Board was also of this mind.

Chinese diplomats visit Titanium Fabricators Ltd

Mr Hsia Yun-Fu and Mr Lu Ke-Hsing of the Chinese embassy, London, inspecting a vacuum chamber welding facility at the Handsworth Sheffield works of Titanium Fabricators Ltd.



Tenders invited to equip Afghanistan hospital

The Afghanistan Ministry of Public Health has issued a call for tender to equip a new 200-bed hospital at Herat – Afghanistan's second largest city. The Export Intelligence Service of the British Overseas Trade Board can supply information, loan drawings and specification for inspection, tel. 01-248 5757, ext. 7017. The requirements involve electrical wiring of the building, installation and supply of a power station and diesel generator sets – four of 250 kW each – installation and supply of water treatment, waste disposal and sewage treatment system. Firms should send their bids to the Secretariat Section, Ministry of Public Health, Kabul, and at the same time inform the commercial section of the British embassy in Kabul.

New editions of Hints to Businessmen

Revised editions of the booklets on the Dominican Republic, Iran, Malaysia and Brunei, Iraq and Spain have been published

in the *Hints to businessmen* series. British businessmen who intend visiting these countries on export business can obtain copies of the booklets from Export Services and Promotions Division, Department of Trade, Room D 05, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7145/6, or any regional office of the Department of Industry.

Advertisements are accepted for all booklets in the series, which covers over 100 countries. Inquiries about advertising should be addressed to Cheiron Press Ltd, 8/10 Parkway, London NW1 7AD, tel. 01-267 1285.

Declarations of value for duty

From 1 January 1978 Customs and Excise forms C 105, C 106 and C 109 will not normally be required for declarations relating to the value of goods for *ad valorem* duty purposes where the value of the goods covered by a customs entry does not exceed £750. The present limit in this respect is £500.

New chairman for north American advisory group

Sir Arthur Bryan has become chairman of the British Overseas Trade Board's north American advisory group at the invitation of Sir Frederick Catherwood, chairman of the BOTB. Sir Arthur succeeds Lord Redmayne who has been chairman of the Naag since its formation in 1972.

Sir Arthur Bryan has been chairman of Wedgwood, the pottery firm, since 1968 and managing director since 1963. Sir Arthur has made a special contribution to the export success of the company which exports a majority of its products. He has made a special contribution to Wedgwood's success in north America where he was resident director until he returned to the UK in 1963.

Notices to importers

Issued by the Department of Trade, Import Licensing Branch, Charles House, 375 Kensington High Street, London W14 8QH. Telephone inquiries should be addressed to the number at the end of the notice.

1646: Liberalisation of certain gloves

Under the provisions of the Act of Accession to the European Communities, certain gloves which originate in the state trading area and are currently subject to restriction will be freed from restriction on 1 January 1978. The goods affected are as follows:

Tariff heading	Description of goods
ex 39.07	Gloves of materials of the kinds described in headings 39.01 to 39.06
ex 40.13	Gloves of unhardened vulcanised rubber
ex 43.03	Gloves of furskin
ex 43.04	Gloves of artificial fur

With the exception of gloves within tariff heading 39.07, these goods may from 1 January 1978 be imported into the UK under the authority of the open general import licence (ie without the need for an individual import licence). Gloves within tariff heading 39.07 will be subject to UK surveillance licensing arrangements, details of which are set out in notices to importers 1484 and 1502.

Traders are reminded however that restrictions may be re-imposed at any time if circumstances so warrant.

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 291.

1647: reclassification of certain goods on 1 January 1978

Certain headings (that is, four-figure headings) of the UK customs tariff will be omitted on 1 January 1978 and goods at present classified in those headings will be incorporated in other tariff headings. The changes which affect the relevant entries in schedules 1 and 2 of the open general import licence are as follows:

Tariff heading deleted 1 Jan 1978	Tariff heading to which products transferred 1 Jan 1978
50.06	50.05
50.08	50.07
50.10	50.09
57.05, 57.08	57.07
57.09, 57.12	57.11
59.09	59.12
61.08	61.11
67.05	62.05

These changes do not widen the scope of goods at present requiring an individual import licence.

The open general import licence will be amended as necessary with effect from 1 January 1978, and the amendment will be available from HMSO in due course.

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 280.

1648: portable monochrome television sets from Taiwan

Notice to importers 1579 set out the arrangements for the importation into the UK of portable monochrome television sets originating in Taiwan. Traders should note that these arrangements are being extended to 31 December 1978. The goods affected and the quota established for the calendar year 1978 are as follows:

Tariff heading/Description of goods	Quota (units)
ex 85.15 Monochrome television receivers with cathode-ray tubes whose bulb diagonal measurement is 39 cm or less	35 000

Licensing arrangements

The quota will be administered by Import Licensing Branch and will be allocated to traders on the basis of their past trade. Traders seeking an allocation from the 1978 quota should send their applications, on form ILB/A, to reach Import Licensing Branch at the address shown above not later than 20 January 1978. Page 1 of the form should be completed; on page 2 only question 1 need be answered; on page 3 and copy the applicant's name and address, description of goods, tariff heading and countries of consignment and origin should be entered. The applications should be accompanied by a statement of past trade by the applicant supported by a report by a qualified, practising, independent accountant in the form shown below and covering the periods listed therein.

As this quota is likely to be heavily subscribed it is unlikely that licences will be granted to applicants with no past trade. Importers should not therefore place orders with suppliers until it has been confirmed that they will be granted an allocation from the quota.

Letters of credit

Traders are reminded that current exchange control regulations in respect of goods subject to quantitative restrictions prohibit banks from opening letters of credit or amending those subsisting, unless they are satisfied that a valid import licence has been issued for such goods.

Re-exports

Applications for licences for the import of television sets intended for re-export will be considered separately against satisfactory evidence.

Importer's statement

I/We declare that the quantities of portable monochrome television sets originating in Taiwan which were cleared through the United Kingdom customs in my/our name for home retention in the periods shown were as stated below:

Tariff heading/ Description of goods	1975	1976	1977
ex 85.15 Monochrome television receivers with cathode-ray tubes whose bulb diagonal measurement is 39 cm or less			

Date ..... Signed .....

Name of company ..... Status.....
(ie proprietor, partner, director or secretary)

Accountant's report

I/We have conferred with the officials and employees concerned in the compilation of the figures shown and have made such tests as I/we have considered necessary, I/we report that in my/our opinion, the figures are those required by the Department of Trade for the purpose of this application.

Date ..... Signed .....

Professional qualification

.....

Address .....

.....

Inquiries: Import Licensing Branch, tel. 01-603 4644, ext. 280.

MARKET REPORT: BRITTANY AND LOIRE VALLEY

Getting off the beaten track

In 1977 British exports to France will top £2,000 million. But although France is the world's fourth largest importer, British goods represent only about 5 per cent of her total imports. It is not only the well-known French industrial centres of the north-east, Paris and the south that offer excellent prospects for British exporters. In the last two articles in our series on the French market we will be drawing attention to the numerous opportunities for those prepared to cast their net off the beaten track: here, B. J. Stenning, first secretary (commercial) at the British embassy in Paris, reports on business prospects in Brittany and the Loire Valley.

The marching tramp of English soldiers some six centuries ago throughout both Brittany and the Loire Valley, has been replaced today by the softer tread of their tourist descendants. In the Loire Valley there are many settlers of British origin and links between the two countries are strong. In Brittany the military exploits and rivalries are recalled, though with no bad feelings, and the 100 years' war is spoken of with no rise of blood pressure. After all, do the inhabitants of Bristol feel strongly about the sacking of their city in 1522 by the Breton corsairs of John Coetanlem? There is much goodwill towards us – and a deep sympathy for things British – and advantage should be taken of it.

These areas of France have had long associations with Britain. Trade has existed for well over a century between Nantes and south Wales. Nantes is twinned with Cardiff and is a longstanding importer of Welsh coal and anthracite. Roscoff and St Malo, with their tourist and merchandise traffic to and from the UK, are valuable chains in the Anglo-French link, as is Brest, whose repair and maintenance yards have been used for years by British ships.

Industry in Brittany

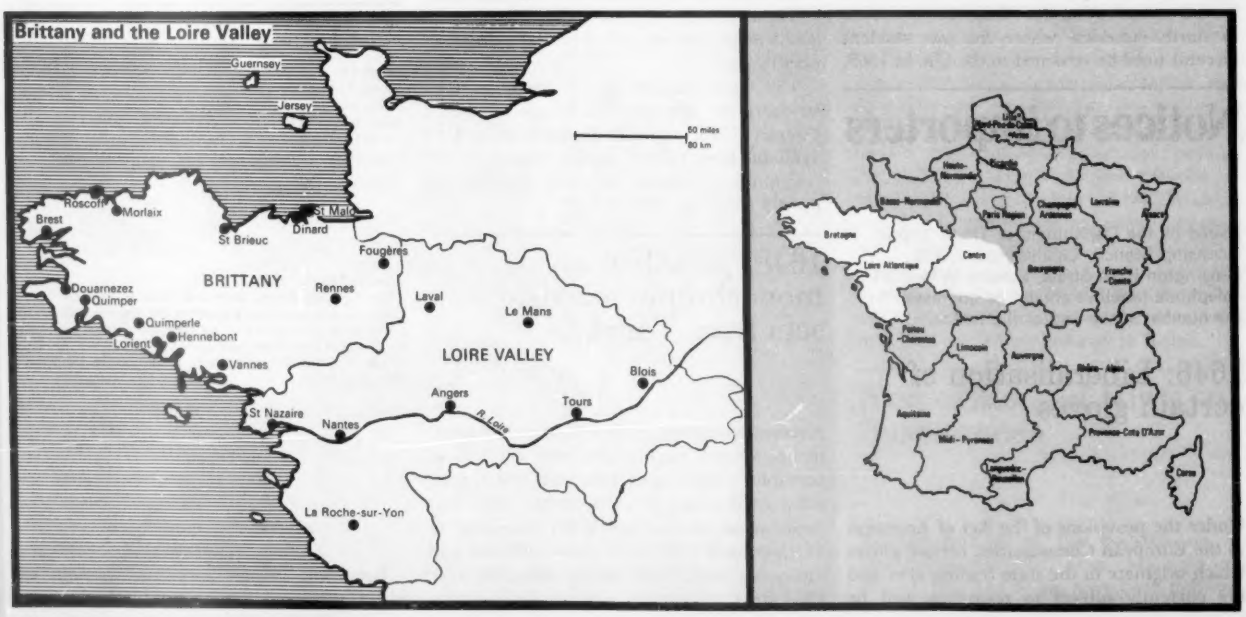
Brittany remains essentially agricultural with an important sector of poultry and pig rearing, milk and vegetable production. Its fishing fleet accounts for about 41 per cent of the total French catch. Industrial development, until now mainly geared to these activities and the development of agriculture-processing industry, is still a prime target. The number of industrial firms employing more than 500 persons has doubled between 1962 and 1973; those employing 200 to 500 persons has increased by two-thirds. Unemployment, worst in the building and public works sectors, remains at about the same level as in the rest of France.

Rennes and Brest are, perhaps, the focal points of the region. Rennes, considered by the Bretons as the gateway to Brittany, is a university town where the various academic institutions have kept pace with the modern development of the city. The main industries are in the high-technology sector: semi-conductors, telecommunications, and aero-space equipment. There is also an armed services research establishment. In addition, Citroën employs 13 500 people and is still expanding. Other important industries are building materials and printing; the latter is dominated by the presence of the newspaper *Ouest France* which has the largest circulation in France. Finally, the new abattoir at Rennes, with a capacity of 15 000 tonnes and a refrigerating depot, is likely to lead to the creation of food-processing industries.

Brest, which for most of its history had been associated with ship-building, ship-repairing and fishing, is emerging from a difficult period. Measures have been taken to enlarge its port facilities and the creation of industrial zones has encouraged the establishment of new industries in the port itself, such as soya-processing. It is seeking further investment from both domestic and foreign sources. Moreover, imports of cereals have increased four-fold over the last five years. The port has an important import trade in raw materials as well as in fresh fruit and vegetables for which it has all the necessary refrigerating equipment.

Ship-repairing remains of prime importance. The yards can now accommodate super oil tankers. Tonnage under repair has increased, especially over recent months and 1977 will probably be a record year.

Like Rennes, Brest has encouraged high-technology industries, such as electronics (Thomson-CSF) including military equip-



The port at Roscoff which has a regular roll-on, roll-off service with Plymouth run by Brittany Ferries.

ment, and telecommunications (Ericsson). In addition to being a major naval base, Brest is the home of Cnexo, the official oceanographic research organisation. Public works and building, among Brest's most important industries, are both experiencing the same difficulties as elsewhere in France, but metallic construction (hangars and farm buildings, for example) is doing well and one firm has recently landed an export order worth some £1.5 million. An important manufacturer of generators has its headquarters there. Exports from the hinterland are increasing and include pig and cattle-raising equipment, tinned meat and milk products.

There are many other smaller industries in Brest and the surrounding region which cover a multiplicity of industries – agricultural machinery, navigational instruments, plastics, food and plastics-processing, and furniture.

The discovery of copper in the regions of Morlaix and St Brieuc could lead to further industrial expansion. If early finds are confirmed an annual production of some 400 000 tons is estimated. St Brieuc has also the largest steel-rolling mill in Brittany. A British firm with important interests in the region is English China Clays.

Other smaller but expanding towns are Lorient, Vannes and Quimper. Michelin is installed at Vannes and Lorient is the second largest French producer of seafood, thanks to a modern fishing fleet. It has a naval repair yard and a number of ship-repairing firms. Quimper and its region have an important role in industrial and domestic building and especially in wood components, doors, and shutters, which are manufactured locally and also re-processed from semi-finished imported products.

The Loire Valley

The Loire Valley covers five main departments and its major towns are Nantes, Laval, Le Mans, Angers and La Roche-sur-Yon. The principal industries are agriculture and food production, mechanical engineering, electrical and electronic, clothing, shipbuilding, aerospace, motor vehicles, timber and wood, metal-processing and chemicals. The Vendée département, though less industrialised, contains well known manufacturers of clothing and footwear (in particular at Cholet). Tours and its region in the Indre et Loire département, though primarily a producer of vegetables, fruit and wine, has, nevertheless, a number of industrial zones housing light industry, including subsidiaries of Wright Rain and IMI.

The Loir et Cher département is one of the most important agricultural areas in France. Nevertheless, Blois, its principal town has created 16 industrial zones and includes such firms as Cav/Roto-Diesel (Lucas Group), and others producing vehicle electrical equipment and aviation components.

Renault has a factory at Le Mans, capital of the Sarthe département, employing 10 000 persons where it produces transmission equipment and assembles agricultural tractors. Le Mans is expanding rapidly and has other important industries in the sectors of machine tools, mechanical engineering and chemicals.

The Mayenne département (capital Laval) is less developed industrially but has important firms in the fields of textiles, food-processing and casting.

Industrial expansion has brought the Loire Valley an urgent pollution problem, caused mainly by water contamination from the disposal of solid waste. Large-scale investments are being organised to tackle the problem.

Shipbuilding is the life blood of Nantes and St Nazaire, though yards are suffering from the worldwide recession in this industry. Diversification into the engineering field has already begun: Nantes contains the factory of one of the leading French crane builders. Outside Nantes are important manufacturers of agricultural and public works equipment, while its industrial zones contain manufacturers of electrical and electronic products and a wide variety of marine equipment. Nantes/St Nazaire is being developed as one of France's major ports: costly development programmes are already in progress.

The Nantes region accounts for a third of the industrial activity of the Loire Valley. Its development is recent and has resulted not only in a marked shift of population from agriculture to manufacturing and service industries, but also in a net inflow of population into the region as a whole. Greatest attention has been paid to advanced technology industries which are doing well. Basic industries of all kinds have suffered from the general recession though not as seriously as shipbuilding.

Exports from the Nantes region have developed considerably. Of 720 exporting firms 270 exported to the UK such products as lifting and mechanical handling equipment, tobacco, computer equipment, sheet metal and agricultural products and foodstuffs.

Communications

Brittany and the Loire Valley have good direct communications with the UK. There are regular flights from Rennes to London via Dinard, from Morlaix to Plymouth direct, from Nantes to London direct, from St Brieuc to Plymouth via Jersey, and from Brest to Plymouth direct. Most of the principal towns in the area have direct air links with Paris.

Road communications are good with a number of four-lane motorways. Rail services are efficient and fast and there are four maritime services which link with the UK: Brest – Plymouth; Roscoff – Plymouth (roll-on- roll-off); St Malo – Portsmouth; and St Malo – Plymouth.

Scope for UK exporters

Opportunities for British exporters cover a multiplicity of products. Some of those already being imported from the UK include woodworking machinery (for the timber-processing and furniture industries), counter-stackers (for newspaper publishers), sectional overhead

metal doors, lacquered aluminium and wooden doors (for building industry), equipment for poultry rearing, diesel motors for generators, dairy and agricultural machinery and components, lorries for milk collection, machine tools, biscuit machinery, packaging equipment, printing machinery, public works equipment, and components, irrigation equipment, foundry equipment, aluminised steel sheet, engines for industrial vehicles, to name only a few in the industrial sector. The clothing and shoe industries wish to know more about machinery and other supplies available from the UK. And manufacturers of marine equipment and mechanical-handling equipment should give attention to the prospects offered by the many ports in the area.

On the consumer side it should be noted that the population of Brittany is 2.5 million and on the increase and that of the Loire Valley 7 million. Retail trade is reasonably buoyant both in big stores and super and hypermarkets. British household goods, such as carpets and furniture, are beginning to become known and could obviously do better. Mobile homes have done very well but uncertainty over the new French legislation has slowed down the impetus. A good demand exists for clothing.

Imports through the port of Roscoff include pleasure boats, meat, eggs, animal feeding-stuffs, tinned and frozen foods, fish (including shell fish), meat and cattle. Calves, in great demand, are already being imported weekly by lorry and by plane to several important clients in the region. British hybrids have contributed significantly in the development of a modern Breton pig-rearing industry, now the most important in France.

More attention should be paid to the independent stores such as Decre at Nantes. Aubruns store (belonging to the Au Printemps group) at Vierzon, recently staged with much publicity, a presentation of British furniture but including also confectionery, soups, sauces, tea and china. Supplies of kilts, scarves and travelling rugs were bought up within two days. Among other major stores carrying presentations of British goods in the area is Mobilier de France, the huge furniture store chain.

Help is willingly given by the local chambers of commerce, especially in such places as Nantes, Rennes, St Brieuc and Morlaix. Regional fairs are another means of making products known and here again the chambers of commerce can be of great help.

Some UK firms have set up subsidiaries in such fields as mobile homes, automobile components, irrigation equipment and pneumatic controls; others have acquired interests in automobile and garage equipment, animal feeding-stuffs and metal stamping firms. Local authorities are very keen to encourage direct industrial investment for which excellent local and government incentives exist. The appointment of regional agents and distributors should be considered in view of the growing industrial development and the increasing mechanisation of agriculture in the area.

In short, there are many reasons why British exporters should take advantage of opportunities that exist in this region. But perhaps the most important is its accessibility – on a par with other community rivals – unlike other regions of France.

Overseas trade exhibitions

Building materials attract Japanese interest

From C. E. A. Ripley, British embassy, Tokyo

Building materials was the latest exhibition at the British Export Marketing Centre in 1977 (29 November to 3 December) when 14 companies took part under the sponsorship of the Building Centre and the BOTB. With an eye on future prospects, and bearing in mind the Japanese government's unprecedented efforts to encourage imports and so reduce the enormous trade imbalance with industrialised countries, it proved to be a good moment for the industry to present itself collectively in Japan.

Most of the companies taking part in the show were already well established in the market – six sharing the same agent. They were impressed by the number and calibre of visitors to the exhibition, and by the evident efforts of their agents to attract the right people. Products on show ranged from concrete pre-tensioning equipment to waterproofing, sealants and wall coverings.

That was also the view of Mr G. Ercole of CCL Systems Ltd exhibiting equipment for use in pre-stressed concrete bridge building. He received well over 400 visitors on his stand. David Wilson was on the stand of the British Screw Company of Leeds and very satisfied with the week's work.

Increased aid to the construction industry is one of the ways in which the Japanese authorities aim to revive the domestic economy. This should present opportunities for a wide range of British exporters, especially those with unique or high-technology products. Road and bridge building or concrete technology are two possible exhibition themes under consideration in the future. Combined with some technical seminars, all concerned were agreed that this would be the best way to pursue the opportunities which Japan offers to a competitive British industry whose main problem now is to get itself better known.

UK bike technology on show at Italian fair

From G. Groppi, British consulate-general, Milan

Seventeen British firms took part in a joint venture at the forty-fifth international cycle and motor cycle exhibition at the Milan Fairgrounds from 19 to 27 November 1977.

The strand stressing equipment on the CCL Systems stand.

The British exhibitors were sponsored by the CMCA Service Co Ltd of Coventry. Once again, this exhibition has proved itself to be a very important event on both a national and international level, second only to a similar exhibition in Cologne.

The figures show an increase in terms of numbers of exhibitors and visitors. This year, on an exhibition area of 49 000 m², the number of exhibitors was 1072 from 19 countries with 564 000 visitors in all. These figures compare very favourably with those for 1975 when there were 995 exhibitors from 18 countries on an exhibition area of 29 000 m², with 465 000 visitors.

The British area, one of the largest in pavilion 20 with another area in pavilion 17, exhibited a very interesting range of bicycles, motor-cycle components and accessories and attracted a large percentage of the visitors. Although the motor bicycles were, as usual, the main attraction, the motor cycle and bicycle sector aroused much interest and the high quality and technical perfection of the British exhibits were much in evidence.

The increase, both in the number of participants and visitors, particularly in comparison with the 1975 event, would appear to indicate a rising demand for these products. All the British exhibitors seemed to be satisfied with the results achieved and with the contacts made at this exhibition, not only with local potential customers but also with foreign visitors. Exhibitors felt that, in some respects, this exhibition could be considered more profitable than that held in Cologne.

Consequently, the British industry in these sectors should continue to encourage British companies to exhibit at and attend this exhibition.

British joint venture at Düsseldorf safety exhibition

From G. Rogers, British consulate-general, Düsseldorf

The industrial safety and factory hygiene fair was held from 23 to 26 November covering three exhibition halls and a total area of 8500 m². There were 272 exhibitors from 14 countries, a total increase of 46 firms over the 1975 exhibition. Running concurrently was the fifteenth international congress, an event internationally recognised and attended by experts on industrial safety, accident prevention and the maintenance of healthy working environments. The exhibition and congress was attended by 23 000 trade visitors (16 000 in 1975) from practically every country in western Europe, and also from as far afield as Canada and the USA.

The British participation was again the largest with 19 firms displaying their products on a joint-venture stand divided into three sections and covering 400 m². The joint venture was sponsored by the London Chamber of Commerce, which also had a stand, and organised by the British Overseas Trade Board in conjunction with the British consulate-general in Düsseldorf. The products exhibited included fire blankets, protective suits, industrial clothing, safety and road barrier systems, safety flooring, work gloves, sound-level meters, respirators, ear defenders and communication systems and a range of safety equipment in general. The majority of firms were pleased with the trading results and expect to achieve satisfactory follow-up business. Some exhibitors were in Düsseldorf for the first time and reported numerous expressions of interest from both potential customers and agents. Other firms had the opportunity of meeting existing German customers and their European distributors. Altogether the joint venture achieved its objective and the majority of firms have stated that they would be coming to Düsseldorf again in two years' time.

News of services for exporters

If your company has recently introduced a new service for exporters – in, for example, the packing, forwarding, shipping, airfreighting, banking or translation fields – we would be glad to have details, plus a good black and white photograph where appropriate.

Items for inclusion in our fortnightly 'Export Services' feature should be addressed to the Overseas Editor, *Trade and Industry*, Room 439, 1 Victoria Street, London SW1.

Advertisers who wish to be associated with this feature should contact Dudley Masters on 01-242 9478.

UK businessmen going overseas

British businessmen intending to travel overseas are urged in their own interests to make the earliest possible contact, before going abroad, with the Export Services and Promotions Division of the Department of Trade (at the appropriate regional office for firms outside London, and Export House, 50 Ludgate Hill, London EC4M 7HU for firms in London and the South East of England). The department, in co-operation with commercial officers at embassies, high commissions and consulates overseas, is in a position to provide advice when it is required, and to help, where appropriate, in making trade contacts related to the purpose of the visit. Even where a businessman does not require specific assistance it is valuable for him to meet the commercial officers to get up-to-date information about the market. The Department of Trade would therefore welcome receiving notification of any businessmen intending to travel overseas. To enable the overseas commercial officers to be of the greatest assistance to UK visitors the department needs to be able to brief the overseas officers as fully as possible. The range of information required for this purpose includes details of the firm, their products/services and the purpose and background to the visit.

JAPAN

DISSATISFIED WITH THE LIMITED RESULTS ACHIEVED THROUGH AGENTS AND DISTRIBUTORS?

EXCELLENT OPPORTUNITIES await enterprising British manufacturers in the form of joint venture operations, wholly owned subsidiaries, branch sales operations and technological licence agreements in Japan. But in order to ensure that the best possible advantage is taken of such opportunities, it is absolutely essential to appoint a local representative possessing the necessary expertise and connections to act on your behalf. As Advisers and Consultants with years of experience of partner hunting and negotiations with Japanese manufacturers in the above sectors, we are pleased to offer our specialised services, which also include market research.

G. INOUYE, Managing Director
RAYDEN (JAPAN) LTD, Shokin Building, 11-12, 8-chome, Ginza, Chuo-ku, Tokyo, Japan. Tel: 571-8023/5. Telex: J26847 (Raydenco). Cables: Raydenco, TOKYO

Overseas trade export services

Cargo gets supersonic boost

Cargo is to get a supersonic boost in January when a British Airways Concorde opens the world's first scheduled supersonic freight service on the North Atlantic. Called Mach 2 Cargo, the new super-fast export link will offer a same-morning delivery in New York for urgent consignments delivered to the airline's London Heathrow Cargocentre by 9.15 am.

By February, Concorde will be operating a daily service between London and New York. Now the airline expects a mini-export boom in very urgent consignments that need to cross the Atlantic to New York and Washington at superspeed.

British Airways anticipates it will carry bank papers, urgent spares and medical supplies, contracts and tenders, films and printers' proofs and business documents. Rates for the new service are £5 a kilo with a minimum charge of £50. There is an upper weight limit of 30 kg a consignment.

Further information: circle 248

Exhibition package deal by Clearway

Exhibition haulage specialist, Clearway Trucking, Aylesham, Kent, is now operating a direct door-to-door, driver-accompanied service to the major cities within the eastern bloc, EEC countries and north Africa. Clearway works from a company's exhibitions programme and looks after all the necessary documentation and adheres to the tightest of schedule times.

Further information: circle 249

New trailer-based transport services to north Africa

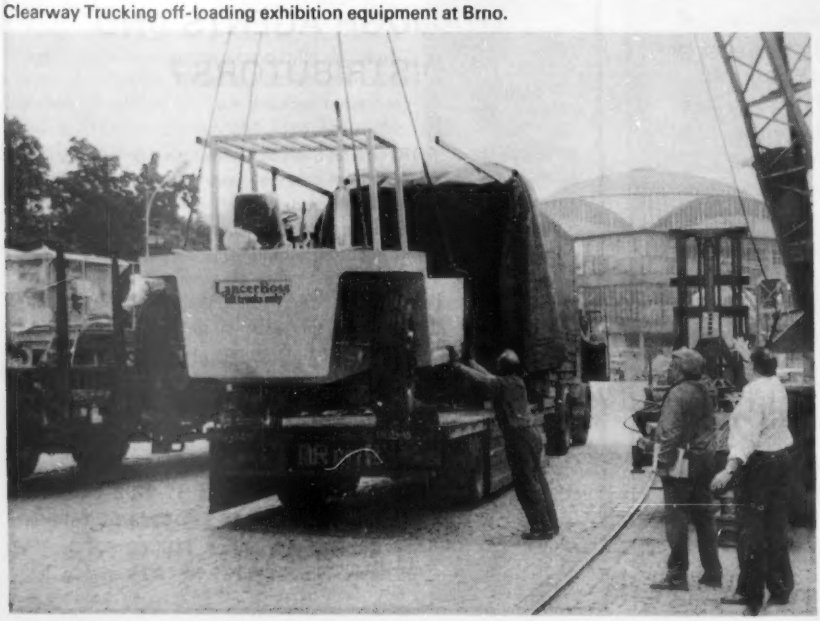
New trailer-based transport services from UK/Europe to Algeria and Libya are now available from Trans-Sahara Freighting, following further agreements reached by the company with Societe Nationale des Transports Routiers, the national transport company of Algeria. These are the latest development of its service to Nigeria, which uses SNTR's specialist equipment and experience for trans-Sahara Desert crossing.

Port of entry to Algeria could be Algiers or Annaba, both being served by regular roll-on/roll-off ferry services from southern Europe, particularly Marseilles. For northern Algeria, cargo can be transported from UK or continental point of origin to final destination on its European trailer, with no trans-shipment at the Algerian port. European transport is handled by Ferrymasters, the P&O international haulage company.

Haulage in Algeria will be by SNTR tractor unit, with fast on-transport over the good 'black top' roads in northern and central areas. For destinations in southern Algeria and Libya, which necessitate purpose-built desert tractors and trailers, cargo is trans-shipped at the ports under customs supervision. SNTR has a varied trailer fleet available to suit different cargoes, including flat-bed units, pipe-carriers, heavy plant and engine transporters, insulated trucks, tankers and super-heavy trailers for loads up to 300 tonnes.

Further information: circle 250

Clearway Trucking off-loading exhibition equipment at Brno.



National Exhibition Centre package

To facilitate world access to the National Exhibition Centre and the west Midland region a consortium has been formed which can provide world wide marketing facilities, direct daily links by luxury coach between London Heathrow, other airports and the National Exhibition Centre, and direct daily connecting facilities between main hotels and the National Exhibition Centre during exhibitions and conferences.

Anyone from anywhere will now be able to buy a package incorporating accommodation, transportation, from airports to all main hotels and centres serving the National Exhibition Centre.

The necessary licence to sanction these operations has been approved by the west Midland traffic commissioners. The operators concerned are Forward Coaches Birmingham Ltd, Guide Friday Ltd, Midland Red, National Travel and West Midlands Passenger Transport Executive.

These facilities will be marketed by the members of the consortium and by Flights Travel Conferences, Exhibitions Ltd, who are also associated with the consortium.

Further information: circle 251

Air freight office opened in New Hampshire

Emery Air Freight has opened another office in its worldwide air freight forwarding network – at Manchester in the United States. The move will provide a faster and more convenient service for shippers both in and out of the New Hampshire area.

Emery has a computerised air freight tracking system which can obtain immediate information on the whereabouts of clients' shipments anywhere in the world.

The system also provides users with complete worldwide rating information and documentation requirements.

Further information: circle 252

Groupage service from Leeds container base

As from 1 December, Ellerman Prince Container Service are accepting groupage for its vessels sailing from Hull to Gibraltar, Malta, Beirut, Limassol and Piraeus at Leeds con-

tainerbase. The idea is to enable shippers to deliver their cargo to Leeds rather than transporting to Hull, if they so desire.

Cargo bookings must still be effected through EWL Hull, tel. 0482 26081. A vehicle appointment system will operate at Leeds containerbase, the telephone number for which can be obtained from EWL at the time of booking. EWL will also provide booking reference numbers. There are no restrictions at the depot for receiving hazardous cargo, but maximum notification is required and special stowage orders will need to be lodged with EWL Hull as at present. EWL will be issuing bills of lading for all consignments grouped at Leeds.

Further information: circle 253

New roll-on/roll-off cargo-ferry service between the UK and Portugal

A new roll-on/roll-off cargo-ferry service between the UK and Portugal is scheduled for introduction in mid-December, based on Felixstowe and Lisbon. The service will be operated by Meredith Shipping Line Ltd, which has already developed and expanded its ro-ro service between UK/Europe and the Middle East Gulf area.

Initially, the new service will provide a continuous sailing schedule, on an approximate 15-day frequency from Felixstowe and Lisbon, commencing with a sailing from Lisbon between 12 to 15 December.

Each sailing will have a capacity of approximately 500 linear metres and the objective is to ensure a regular roll-on/roll-off service, for standard and non-standard units. These sailings will use the line's existing vessel, *Roro Dania*, and a further roll-on/roll-off cargo-ferry of similar capacity. A carefully co-ordinated schedule will allow these vessels to serve both the Gulf and Portugal.

Meredith Shipping Line's service to Portugal will be available for quay-to-quay traffic, using shippers' equipment, as well as door-to-door movements using the group's own fleet of trailers. The latter will operate between all parts of the UK and Portugal for full-loads, with part loads and groupage traffic being consolidated at the IMM warehouse, Felixstowe, for shipment to and distribution from Lisbon.

Further information: circle 254

Transfrig flexibility helps keep chicks alive

A custom-made transport refrigeration system from Transfrig has enabled Alloy Transport Bodies of Manchester to meet a stringent body temperature specification for three 7.5 tonne vehicles to transport day-old chicks in Nigeria. The vehicles were specially designed by ATB Ltd to incorporate the Transfrig units.

The vehicles, based on Ford 0710 chassis, use the Transfrig units to maintain an internal temperature between 70 and 75°F through a ducting system designed by Alloy Transport Bodies. This way, 25 000 chicks at a time can be safely transported from incubators to breeding houses.

Flexibility of the refrigeration units from Transfrig Ltd, Cranbourne Road, Gosport, Hants PO12 1RJ, tel. 070 17 88131, permitted a special design based on the DL 90 H refrigeration unit. The unit consisted of a Goeldner compressor driven by a 14 hp Ruggerini diesel engine. The high power was required because the application was basically for air conditioning and therefore different from the usual transport refrigeration application.

The evaporator is fitted with two fans to assist internal air circulation through the duct system whose outlets are at strategic positions within the body thus ensuring that each box of chicks is kept at the right temperature.

Further information: circle 255

New Gatwick cargo terminal opens

The new British Airways cargo terminal at Gatwick Airport is now open for business. It is three times larger than its predecessor and has a floor area of 15 000 square feet, including office accommodation.

From next April the airline will start direct scheduled services from Gatwick to Frankfurt, Düsseldorf, Zurich and Dublin. It already has scheduled services to Aberdeen and Guernsey.

Recently too, the airline's truck service between Heathrow and Gatwick was stepped up to seven a week, which will ease congestion.

Further information: circle 256

Re-organisation of forwarding services

Wingate and Johnston (South)'s surface freight forwarding activities have been regrouped and consolidated into a surface forwarding organisation to be known as Constantine Wingate Forwarding Services, incorporating Constantine Forwarding Ltd, Wingate and Johnston (South) Ltd, and Container Express Ltd.

The objective of the reorganisation is to provide customers with a more efficient service by co-ordinating comparable operations previously carried out independently by the organisations during the transition period.

Constantine Wingate Forwarding Services offers a comprehensive range of scheduled groupage services throughout Europe (both East and West) and Scandinavia plus the Middle East, Australasia, north America, Bermuda and the Far East, from offices in London, Birmingham, Southampton, Harwich and Felixstowe.

They can also call on the specialist expertise of all the many other organisations within the Constantine group which together cover all aspects of transport and travel including export packing, warehousing, road haulage, rail ferry wagons, airfreight, shipping and chartering, business travel, confirming house business as well as international household and personal removals.

Two of the many freight-forwarding facilities Constantine Wingate Forwarding Services can offer in which they have particular expertise are organising the packing and transport of high-value fine-art objects; and the total organisation and management of transport supply contracts for major capital projects located abroad.

Further information: circle 257

Public relations network for export promotion

With the establishment of a new joint-venture in Paris, Pierre Hervo CBA France, and a new associate network throughout the Middle East, Carl Byoir and Associates Ltd, has completed an international public relations network available to British exporters. CBA overseas offices are staffed by local nationals with experience of journalism and public relations and long-established contacts in local media, government and industry.

The Carl Byoir international public relations network now covers the United States, Canada, Mexico, Brazil, Australia, South Africa, Turkey, Egypt, Iran, the Arabian Gulf States, France, Germany, Netherlands, Belgium, Switzerland, Scandinavia, Italy, Austria, Spain and Greece.

Further information: circle 258

Making money out of major overseas engineering contracts

Topical Aspects of Overseas Contracts and Major Engineering Projects is the title of a booklet published by the College of Management at Dunchurch. Businesses previously handling typical contracts valued at £1 million and others experienced at managing those at £30 million or more are both now facing increasing opportunities to take single contracts of 10 times the traditional size in value and complexity.

The opportunities are great – but so is the price of failure – as some who have ventured find when faced with tiers or sub-contractors, overseas local services and international money market changes. The booklet is an aide-memoire on the issues associated with such contracts. It comments on law and jurisdiction, formation and general principles of contract, tenders, joint offers, price, selling in foreign currency, limiting liability, circumstances outside vendor control, bond and guarantees, and jumbo contracts.

Further information: circle 259

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Overseas trade country data

Argentina

Amendments to import duties. The Argentine Ministry of Economy has issued several resolutions amending the import tariff. The goods affected fall within the following chapters of the tariff: 15, 25, 28, 29, 32, 34, 37, 38, 39, 40, 48, 53, 57, 59, 70, 74, 76, 79, 82, 83, 84, 85, 87, 90, 94 and 98.

Inquiries: OTAR 01-248 5757 ext. 474.

Australia

Razors, razor blades. The Australian Minister for Business and Consumer Affairs has asked the Industries Assistance Commission (IAC) to inquire into and report on the question whether assistance should be provided to that sector of industry which manufactures razors, razor blades and razor blade blanks. Pending submission of its full report to government the IAC has been further requested to report by 28 February 1978 on whether short-term assistance should be accorded the production of double-edged safety razor blades, tariff item 82.11.9.

UK firms or trade associations intending to submit evidence at the public hearings, the dates and locations of which will be published as soon as they are known, should advise the Secretary, Industries Assistance Commission, PO Box 80, Canberra, ACT 2600 Australia, without delay. Evidence may be submitted either through the accredited agent of the firm or trade association concerned, or through the Australian-British Trade Association, 6th Floor, Dorland House, 18-20 Lower Regent Street, London SW1Y 4FW, tel. 01-930 2524, who will represent UK interests if authorised. The association charges a fee for its services, the amount varying according to the work entailed in the preparation of a submission and whether or not the interested party is a member.

Inquiries: CRE 01-215 5319.

Ref: CRE 1714/77

Austria

Paper and paperboard. The Federal Ministry of Commerce, Trade and Industry has announced in BGBl 532/1977 that the preferential quota ceiling fixed in accordance with protocol 1 of the Austria/EEC Free Trade Agreement for goods classified under headings 48.01 and 48.15 originating in the EEC has been reached. Imports originating in the EEC will therefore be dutiable as follows:

48.01	Paper and paperboard (including cellulose wadding) machine made, in rolls or sheets:	
	A. Machine made paper (except articles under subheading 48.01.C) printing and writing paper, not containing mechanical wood pulp ex 48.01.A.8	14%
48.15	Other paper and paperboard, cut to size or shape:	
	ex D Other (except writing paper in compendia, boxes, etc)	20%

until 1 January 1978 when a new ceiling will be fixed.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Paper and paperboard exhausted. The Federal Ministry of Commerce, Trade and Industry has announced in BGBl, 530/1977, that the duty free quota established in accordance with protocol 1 of the Austria/EEC Free Trade Agreement for goods classified under heading 48.15 originating in the United Kingdom has been exhausted. Imports originating in the United Kingdom will therefore be dutiable as follows:

Tariff heading/Description of goods	Rate of duty
48.15	
Other paper and paperboard cut to size or shape	
ex D	
Other (except writing paper in compendia, boxes,etc)	13%

until 1 January 1978 when a duty free quota will be opened or until the higher duty provided for in article 6 of protocol 1 is invoked.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Cayman Islands

Gasolene and diesel. The Cayman authorities have increased the rates of duty on motor gasolene and diesel oil from 5c to 8c per gallon.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Chile

Exchange rates. The Chilean Central Bank has now established the daily rate of exchange for the period 3 December 1977 to 5 February 1978. The monthly devaluation of the peso will be as follows: 6 December to 5 January – 2.2 per cent; 6 January to 5 February – 3 per cent. Copies of the list are available from CRE, tel. 01-215 5289.

Denmark

Tax on containers. New taxes are to be introduced on certain retail sales packagings, and will be payable on packagings of spirits, wine, fruitwine and beer; mineral water, lemonade and other non-alcoholic beverages, as well as the concentrates used for making such drinks; juice and non-alcoholic ciders as well as concentrates for making such drinks; vinegar and edible oils; methylated spirits.

Taxes will be levied at the following rates:

Containers of glass:	
a With a capacity not under 10 cl and not over 60 cl	15 öre each
b With a capacity over 60 cl and not over 80 cl	60 öre each
c With a capacity over 80 cl	90 öre each
Containers of metal	15 öre
Containers of cardboard with a capacity over 25 cl	10 öre
Containers of plastic, exclusively for use in packaging provisions, including salad, marmalade, herring and cheese (plastic bags and tubes are not included)	10 öre per item
Other containers not mentioned above:	
a With a capacity not under 10 cl and not over 106 cl	50 öre
b Capacity over 106 cl	100 öre

These proposed taxes are to be paid by the manufacturer of the packaging and are intended to come into force on 1 January 1978.

Inquiries: OTAR 01-248 5757 ext. 7174.

Dominica

Foreign currency levy. The Dominica authorities have introduced a tax of 1 per cent on all transactions involving the sale of or outward dealings in foreign currency. Transactions involving amounts of less than EC (East Caribbean) $50.00 are exempt.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Finland

Dogs and cats. The importation of dogs and cats is subject to the issue of an import permit by the Veterinary Department, Ministry of Agriculture and Forestry, Hallituskatu 3, 00170 Helsinki 17. Notice of time and place of importation should be made to the Finnish Ministry of Agriculture and Forestry as long as possible in advance of arrival so that they can make arrangements for a veterinary surgeon to be in attendance to perform an examination of the dog or cat (cost of examination is charged to importer).

Dogs must be accompanied by a general health and origin certificate issued within 10 days of shipment by a local veterinary inspector of the ministry stating that the animal was clinically examined and found to be healthy and free from signs or symptoms of infectious or contagious diseases; was tested, with negative results, for leptospirosis and intestinal parasites and has been domiciled in Great Britain continuously for at least six months or since birth. If the dog is more than 2½ months of age it must be accompanied by a certificate stating that it was vaccinated against distemper at least two weeks and not more than 12 months before arrival in Finland. Cats must be accompanied by a general health and origin certificate issued within 10 days of shipment by a local veterinary inspector of the ministry stating that the animal was clinically examined and found to be healthy and free from signs or symptoms of infectious or contagious diseases including infectious feline anemia, and was tested with negative results for intestinal parasites.

The general health and origin certificates referred to in paragraph 2 should be issued by a veterinary surgeon who holds an appoint-

ment as a local veterinary inspector of the ministry, and should be signed over his official designation 'Local veterinary inspector of the Ministry of Agriculture, Fisheries and Food'. If there is a veterinary surgeon whose services you normally use you should first of all ascertain whether he holds such an appointment. Responsibility for the payment of the inspector's fees rests with the exporter or his agent.

This summary conveys, to the best of the ministry's knowledge, the Finnish requirements at November 1977. Exporters are advised to consult the Finnish embassy on whether any changes have since been made in their import requirements for dogs and cats.

Exporters of dogs and cats are reminded that if they bring their animals back into Great Britain subsequently all such animals without exception will be subject to whatever import regulations are in force at the time of the animals' return. Current regulations stipulate that no dog or cat may be imported unless an importation licence has been previously granted on behalf of the Minister of Agriculture, Fisheries and Food (or the Secretary of State for Scotland if appropriate). All dogs and cats are required to undergo six months' quarantine on arrival in Great Britain, during which time they will be vaccinated against rabies. All expenses in connection with the landing, transit, quarantine and vaccination of animals will be of the owner's responsibility.

Jamaica

Two-tier exchange rates. The Jamaican authorities have announced new foreign exchange rates, to take effect from 22 October 1977.

The basic rate of J$1.00 to US$1.10 applies to imports of those goods specified in *Trade and Industry*, 13 May 1977, page 287. The special rate for all other transactions is now J$1.00 to US$0.78125.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Lebanon

Carpets and rugs. The Lebanese *Official Gazette*, 41 of 1 December 1977, published details of an amendment to the customs tariff in respect of CCCN 59.02 which increases the duty on certain types of carpets, carpeting and rugs made of felt from 18 per cent to 40 per cent or 25 per cent according to the type of the constituent material.

Inquiries: OTAR 01-248 5757 ext. 475/762.

Libya

Import restrictions. It has been announced that the General Company for Pottery and Glass Products holds the monopoly for all pottery and glass imports including the raw materials and other requirements for industrial production. It has also been announced that foods for diabetics, canned vegetables, butter, cream, cheese and chocolate are subject to import licensing.

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 462.

Malaysia

Locks and padlocks. The Malaysian government has passed the Customs Duties (Amendment) (No. 17) Order 1977, which came into force on 10 November 1977, and amends the first schedule to the Customs Duties Order 1977 so that the import duty on CCCN 83.01.200 – parts for locks and padlocks for cycles, and 83.01.400 – parts for key operated locks and padlocks, is 35 per cent and the import duty on CCCN 83.01.300 – key operated locks and padlocks, is 35 per cent or 50 cents each, whichever is the higher.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

Oil filters and air filters. The Malaysian government has passed the Customs (Prohibition of Imports) (Amendment) (No. 7) Order 1977, which came into force on 27 October 1977, so that an import licence is no longer necessary to import CCCN 84.18.190 – oil filters and air filters, and CCCN 84.18.915 – parts for the filters, into the Federation of Malaysia.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

Precious metals, jewels and jewellery. The Malaysian government has passed the Sales Tax (Rates of Tax) (No. 2) (Amendment) (No. 2) Order 1977, which came into force on 28 October 1977 and amends the schedule to the Sales Tax (Rates of Tax) (No. 2) Order 1972, so that the sales tax on precious metals, jewels and jewellery falling under CCCN numbers 71.01, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08, 71.09, 71.10, 71.11, 71.12, 71.13, 71.14 and 71.15 is now 5 per cent.

Inquiries: OTAR 01-248 5757 ext. 469/401/468.

Malta

Import licensing control. The Malta *Government Gazette*, 18 November 1977, carried legal notice 144 of 1977. This added video games to the list of goods requiring a specific import licence.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Morocco

Import duties. The Ministry of Finance has announced changes in duty rates for item 87.01 as follows:

Tariff heading/Description of goods	Rate of duty
87.01	
Tractors (other than those falling within heading 87.07), whether or not fitted with power take-offs, winches or pulleys:	
A Tractors imported CKD for assembly lines approved by the government:	
I Walking tractors, with internal combustion spark-ignition or compression-ignition engines of a cylinder capacity:	
a Of 1000 cc or less:	Ex
b Of more than 1000 cc	Ex
II Wheeled agricultural tractors:	Ex
III Other tractors:	
a With spark-ignition or compression ignition engines:	
1 Tractors fitted with winches	Ex
2 Other:	
aa Track-laying	Ex
bb Other (wheeled):	
11 Road tractors, including load-carrying tractors	12%
22 Other	12%
b With other engines	12%

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 462.

Norway

Import duty and import control amendments. Import duty amendments have been made on the following goods manufactured from mashed potato and/or potato starch:

Tariff heading	Description of goods
ex 19.02	Semi-finished products of mashed potato and/or potato starch for the manufacture of snacks – an *additional* duty of Kr2.35/kg of the goods' net weight has been introduced. Thus, for goods of UK origin the total import duty is now Kr2.35 + Kr0.50 (basic duty rate) = Kr2.85/kg. Note: Whereas the additional duty is calculated on the net weight of the goods, the basic duty is calculated on the gross weight.
ex 19.08	Snacks manufactured from mashed potato and/or potato starch – an *additional* duty of Kr2.00/kg of the goods' net weight has been introduced. Thus, for goods of UK origin the total import duty is now Kr2.00/kg net weight (the basic duty rate being zero).

The following goods are now subject to import control by the Norwegian Board of Agriculture:

Tariff heading	Description of goods
ex 19.02	Semi-finished products for the foodstuffs industry based on mixtures of potato starch and powdered milk

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Import licensing. Further to the notice which appeared in *Trade and Industry*, 30

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Export (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

September 1977, cabbage and brussels sprouts will now require an import licence.

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 458/461.

Oman

Sheep and goats. The Minister of Agriculture, Fisheries, Petroleum and Minerals has issued ministerial decision 28/77, effective from 1 October 1977, which forbids the importation of sheep and goats unless prior written permission has been obtained from the directorate-general of his ministry. No further details are available.

Inquiries: OTAR 01-248 5757 ext. 475/420.

St Vincent

Import licensing. The St Vincent authorities have announced that import licences are now required for the following goods:

ex 39.07	Pads for baby cribs
ex 60.04.90	Half slips, maxi slips, panties. night dresses and gowns, knitted or crocheted, not elastic nor rubberised
ex 60.05.90	Dressing gowns, halter blouses, knitted or crocheted, not elastic nor rubberised
ex 61.02.60	Women's, girls' and infants' halter blouses other than of water proof material
ex 61.02.90	Women's, girls' and infants' dressing gowns other than of water proof material
ex 61.04.20	Women's, girls' and infants' night dresses and gowns
ex 61.04.90	Women's, girls' and infants' half slips, maxi slips and panties
ex 62.02.10	Bed sheets, pillow slips, table cloths, towels

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Singapore

Metrication – textiles. The Singapore Metrication Board has recommended that textile importers should order from their suppliers and sell to the wholesaler by the metre from 1 January 1978. Wholesalers should then be given three months to metricate by 1 April and retailers should begin to sell only by the metre from 1 June 1978.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

CRE Commercial Relations and Exports Divisions
Department of Trade
1 Victoria Street, London SW1H 0ET
Tel. Direct dialling (see end of each notice)

OTAR Overseas Tariffs and Regulations Section
Export Data Branch
Export Services and Promotions Division
Department of Trade
Export House, 50 Ludgate Hill, London EC4M 7HU
Tel. 01-248 5757 (extension at end of each notice)

South Africa

Milk and milk products. Regulation R.1724 published in *Government Gazette* 5729, 2 September, details regulations relating to the treatment of milk and milk products; the regulation may be applied as from the date of publication but shall be applied with effect from 2 March 1978.

Inquiries: OTAR 01-248 5757 ext. 471/462/472/473.

Metrology. R.321 published in *Government Gazette* 5806, 18 November, brings into force the Trade Metrology Act (Act 77 of 1973) (as amended) with effect from 18 November 1977.

Inquirers in the London area may consult the document in Room E08, Export House: other inquirers may be sent the document on short-term loan.

Inquiries: OTAR 01-248 5757 ext. 471/462/472/473.

Republic of South Korea

Import licensing amendments. The Ministry of Commerce and Industry have announced that as from 1 December 1977 the following items are no longer subject to licensing restrictions:

Tariff heading	Description of goods
09.04	Black pepper
13.02	Pine resin
15.10	Crude oleic acid; Oleic for commercial use
15.12	Solidified oils and fats chlorides
28.30	Chlorides
29.14	Formic acid
29.15	DMT TPA/PTA
35.03	Gelatin and glues
38.07	Turpentine oil
38.08	Rosin
39.02	PVA powder for textile manufacturing among polyvinyl derivatives
39.03	Acetate flake for textile manufacture among cellulose acetate
40.01	Natural rubber; Natural rubber latex
44.28	Wooden models for casting
48.19	Paper labels
55.03	Cotton waste
63.01	Worn-out woollen clothing
63.02	Worn-out woollen rope
73.03	Scrap iron
73.32	Bolts and nuts for: 1 Repair and maintenance of power plant; 2 Connecting rods, studs and nuts, cylinder block to head
73.36	Burner (grid diameter 40 mm); Mantile (heats upper half of flask for power plant)
73.38	Sanitary plumbing fixture fittings excluding faucets for general use
74.18	Fittings among sanitary wares of copper excluding faucets for general use
76.01	Aluminium scraps
76.08	Aluminium structures
82.06	Cutting blade for leather
82.09	Knives
82.10	Knife blades
84.06	Automobile engines over 300 hp
84.10	Injectors for engines for power plants
84.11	Compressor and turbo charger parts to be used for gas turbines for power plants
84.16	Cylinders
84.18	Centrifugal separator for gas turbines for power plants
84.21	Electric sprayers
84.23	Scrapers, pile drivers
84.35	Offset printing machines
84.44	Rolling mills for metal working over four grades
84.52	Accounting machines
84.53	Computer auxiliary machines for computers
84.55	Accounting machine parts
84.59	Chlorinator and chemical feeder for nuclear power plant
84.63	Gears and gear boxes for power plant
85.08	Distributor for automobiles; Glow plug for automobiles
85.21	Diodes for automobiles

Inquiries: OTAR 01-248 5757 ext. 420/475.

Spain

Customs tariff modifications. The Spanish *State Gazette* of 15 October 1977 published royal decrees 2577, 2578, 2579, 2580, 2582, 2583 and 2584 of 19 September 1977, amending certain customs tariff subheadings as follows:

Tariff heading/Description of goods	Customs duties
Royal decree 2577 amending customs tariff subheading 90.17 C:	
90.17 C	
Parts:	
1 Fibre cartridges or semi-permeable membranes for haemedialysis machines	17.5%
2 Other	
Royal decree 2578 amending customs tariff subheading 15.10 C1 (saturated fatty alcohols):	
15.10 C	
1 Saturated fatty alcohols containing mixtures of hydrocarbon chains between C9 and C22 with a maximum content of any constituent of 75 per cent	1%
Royal decree 2579 amending certain subheadings of customs tariff subheading 29.44 (antibiotics):	
29.44 A	
Antibiotics derived from 6 amino Penicillanic acid:	
1 Penicillin, amoxycillin, ampicillin, methampicillin and pivampicillin and their salts and esters	10.5% the duty not to be less than 3 pesetas per million units in respect of penicillin and 5 pesetas/g of other antibiotics contained therein
2 Other	10.5%
29.44 B	
Antibiotics derived from 7 aminocephalosporanic acid:	
1 Cephaloridine, cephalothin and their salts and esters	10.5% the duty not to be less than 30 pesetas/g of antibiotics contained therein
2 Other	10.5%
29.44 C	
Antibiotics derived from 7 aminodesacetoxycephalosporanic acid:	
1 Cephalexin and its salts and esters	10.5% the duty not to be less than 8 pesetas/g of antibiotics contained therein
2 Other	10.5%
Royal decree 2580 amending customs tariff 29.06 A2a (orthocresol) (saturated fatty alcohols):	
29.06 A2a	
Orthocresol, methacresol and paracresol, chemically separate	1%
Royal decree 2581 amending subheadings of customs tariff heading 84.23 (excavating, levelling tamping, boring and extracting machinery):	

Tariff heading/Description of goods	Customs duties
84.23 D	
Sounding or boring machinery:	
1 Self-propelled	16%
2 Other	16%
84.23 E	
Other machinery:	
1 Self-propelled	16%
2 Other	16%
84.23 F	
Complete machinery, not mounted on a self-propelled sub-structure	16%
84.23 G	
Other parts	16%
Royal decree 2582 of 19 September amending customs tariff subheading 29.21 (other esters of mineral acids):	
29.21	
C Methylphosphites	1%
D Other	13%
Royal decree 2583 amending subheadings of customs tariff 30.01 (organotherapeutic glands or other organs):	
30.01	
A Anterior and posterior lobes of the pituitary gland; powdered concentrated bone tissue	Free
B Extracts of the heart, prostrate gland, thymus gland, cartilage, bone marrow, brain duodenum, stomach and bone	Free
C Other	28%
Royal decree 2584 amending certain subheadings of tariff heading 39.02 (polymerisation products):	
39.02 M	
Polyethylene and polypropylene, chlorinated	Free

The present subheadings M and N shall become subheadings N and O respectively, without alteration to the wording of duties.

The above amendments came into force on 15 October 1977.

No further information is available.

Inquiries: OTAR 01-248 5757 ext. 461/458/459/460.

Switzerland

Change of address of British consulate at Basle. From 2 December the British consulate in Basle has moved to new premises at Dufourstrasse 9, CH-4010 Basel, Switzerland.

Inquiries: CRE 01-215 5341.

Thailand

Coffee regulations. The Thai Ministry of Public Health has issued notice 38(BE 2520-AD 1977) which came into effect on 16 November 1977 and amends public health notice 34, Thailand – coffee regulations, issued in *Trade and Industry* dated 9 December.

The following should be added as a third paragraph to 2 of notice 34:

Artificial coffee shall contain admixtures not harmful to the human body, and shall contain coffee that is less than 50 per cent but not less than 5 per cent, of the weight; the quality or standards of which shall be approved by the Minister of Public Health.

The provisions in 1 and 5 of 3 of notice 34 should be replaced by the following:

1 The words 'unadulterated coffee', 'mixed coffee', or 'artificial coffee' as the case may be.
5 Kinds of admixtures for 'mixed coffee' or 'artificial coffee'.

The following should be added to 6 of 3 of notice 34:

6 Volume in percentage of coffee for artificial coffee.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

United States

Steel nuts, bolts and screws. The International Trade Commission voted on 8 December to recommend an additional tariff of 30 per cent for two years on iron and steel nuts, bolts and screws. The extra duties would be reduced to 25 per cent in the third year and 20 per cent in the fourth and fifth years. The report containing these recommendations and the commission's arguments in favour of them, go to the president on 13 December. He will then have 60 days to accept, reject or modify the ITC's recommendations. If the president does alter them congress may within 90 days over-rule him by a simple majority vote in both houses.

Inquiries: CRE 01-215 5629.

Flammable fabrics. The *Federal Register*, dated 30 November 1977, published final rules by the Consumer Product Safety Commission intended to provide an effective and efficient method for the CPSC to conduct investigations, inspections and inquiries under the Flammable Fabrics Act.

Inquiries: OTAR 01-248 5757 ext. 456 457/7312.

Venezuela

Import restrictions re-imposed. The Venezuelan Ministry of Agriculture has announced that the temporary exemption from import duty no longer applies to potatoes and garlic.

Inquiries: OTAR 01-248 5757 ext. 474/476.

Yugoslavia

Import taxes on ships. *Official Gazette*, 47, 23 September 1977, provides that the import surcharge payable on imports of certain ships under tariff heading 89.01 is reduced to 5 per cent; the special equalisation tax on imports of certain ships under tariff heading 89.01 is reduced to 3 per cent; the 'free' import category shall apply to ship imports. These provisions are applicable to imports of ships effected after 1 January 1976, the sales contracts for which were registered with banks before 15 June 1975.

Inquiries: OTAR 01-248 5757 ext. 460.

Plant protection substances. *Official Gazette*, 47, 23 September 1977, establishes regulations for the sale in Yugoslavia of plant protection substances.

Inquiries: OTAR 01-248 5757 ext. 460.

ECGD addresses

The Export Credits Guarantee Department's head office is at Aldermanbury House, Aldermanbury, London EC2P 2EL. (Tel. 01-606 6699). ECGD has 10 local offices in various parts of the United Kingdom, and these are listed from time to time in *Trade and Industry*.

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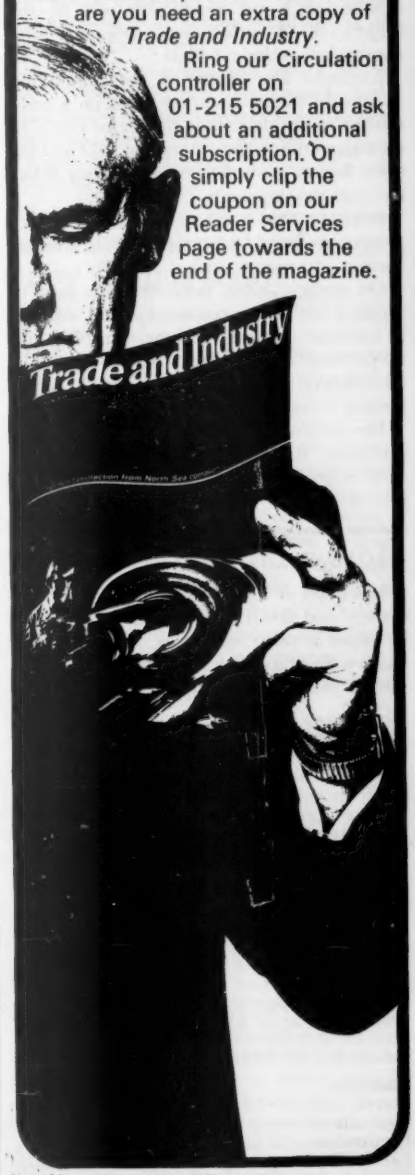

European community news

Heat generator directive agreed

A directive on the performance, maintenance and regulation of heat generators in new and existing non-industrial building and on the insulation of heat and domestic hot water distribution systems in new buildings was agreed by EEC energy ministers meeting in Brussels on 13 December.

The directive seeks to establish a community framework for making energy savings on new appliances for space heating and for the production of domestic hot water in non-industrial buildings. Appliances for which type-testing is not practicable will be the subject of a subsequent proposal after appropriate technical study.

Ministers also examined the community and world energy situation based on a commission report describing the major trends in the community energy market in 1977 and the main factors governing or influencing international developments.

Ministers held a general debate on energy prices, problems concerning coal, nuclear energy, and energy savings.

On energy prices, ministers took note of progress within the commission and asked it to continue its work with the member states to produce data which would be used in formulating future guidelines for the community energy policy.

Discussions continued on the two coal proposals, stocking aid and financial measures to promote the use of coal for electricity generation.

Ministers debated whether aid for coal stocks was a proper method for supporting community coal and in the case of coal-burn focussed their attention on whether the measures should be used to promote a diversification to coal in general or whether they were intended to promote the use of community coal.

Ministers examined the proposal for a regulation on the granting of financial aid to demonstration projects in energy saving. This proposal is designed to encourage new techniques enabling energy to be saved by an improvement in yield.

Ministers took note of the second commission report on community energy policy objectives for 1985 and examined a draft resolution designed to amend certain aspects of the energy objectives for 1985 adopted by the council in December 1974. Ministers reached agreement on objectives for reducing the community's dependence on external energy sources and for reducing the growth in energy consumption in relation to economic growth, and commissioned further work in this area.

Two interim reports by the committee of permanent representatives were noted on the progress of two proposals – for a draft regulation on granting financial support for projects to exploit alternative energy sources, and for a draft regulation on the procedures for taking a council decision to grant community support for projects to exploit hydrocarbon exploration projects.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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Ministers agree titanium dioxide waste directive

EEC environment ministers meeting in Brussels on 12 December agreed a directive on waste from the titanium dioxide industry.

The directive requires firms to obtain prior authorisation for methods of getting rid of the waste from the titanium dioxide industry such as discharge and dumping into water, surface storage; and burying under ground. There should be monitoring of the waste and of the environment where waste disposal takes place.

The directive also contains provision for the progressive reduction and eventual elimination of pollution caused by waste from the titanium dioxide industry. Member states are required to draw up national programmes by 1 July 1980 for the reduction of pollution caused by existing industries. The directive obliges the member states to supply the commission with information and to prepare periodic reports on the progress made in the prevention and reduction of pollution caused by titanium dioxide waste.

Surface fresh water

Ministers formally adopted the decision establishing a common procedure for the exchange of information on the quality of surface fresh water in the community which had been agreed at the meeting on 14 June.

This decision asks member states to send to the commission on a regular basis data concerning the quality of the water sampled by the measuring stations set up by the member states. On the basis of this information, the commission will send an annual summary report to all member states.

Bird conservation

Ministers reached general agreement on the main features of a proposal for a directive on bird conservation.

Toxic wastes

Ministers also resolved the one outstanding difficulty over a directive on toxic and dangerous wastes. It concerned the role of the committee for the adaptation to scientific and technical progress.

The directive adopted establishes a broad common approach within the community to the control of certain toxic and dangerous wastes. It lays special emphasis on the need to protect human health and the environment, and to encourage the recycling and re-use of waste.

Council takes first look at farm prices

There was a first discussion of commission proposals for farm prices for 1978-79 at the meeting of EEC agricultural ministers in Brussels on 12 and 13 December. In an answer to a parliamentary question on 14 December, John Silkin, Minister of Agriculture, Fisheries and Food, said that he had made it clear that it was essential to exercise the maximum restraint on agricultural prices in the interest of consumers and in view of the serious surpluses in some sectors. The proposals would be considered in more detail by ministers in the new year.

On the proposals for phasing out monetary compensatory amounts over a seven-year period and the commission report on the use of the European unit of account in agriculture, Mr Silkin reminded other ministers of the problems which would arise for the UK and others over any automatic mechanism for changing green currency rates.

'I drew attention to the excessive level of common prices resulting from the use of the present unit of account and clearly demonstrated in the commission report. The proposals remain on the table and may be discussed further during the price negotiations,' he said.

Mr Silkin had pressed for a change in the method of calculating monetary compensatory amounts on pigmeat and the commission had undertaken to submit its report on distortions caused by the monetary arrangements in January.

It was agreed to continue at present levels

the Gatt quota for levy-free imports of frozen beef for a further year, and to increase by 10 000 tonnes the amount of frozen beef to be imported at reduced levy for manufacture under the balance-sheet arrangements, Mr Silkin said.

Ministers had agreed on arrangements to cover the sale of agricultural products on the so-called 'butterships' and agreement was also reached on EEC assistance towards speeding up national schemes for eradicating brucellosis, tuberculosis and leukosis in cattle; the extension of the derogation covering UK methods of brucellosis and tuberculosis eradication; and the removal of the ban on chilling poultry meat by immersion in water, Mr Silkin concluded.

PT ministers discuss harmonisation problems

Meeting in Brussels on 15 December, EEC ministers responsible for posts and telecommunications policy discussed the proposition that internal rates should be applied to all inland letters of under 20 g exchanged within the community. It was agreed that this would have political impact and the commission was asked to look further at it.

It was agreed that the commission should also look further at the charge (not levied in the UK) to defray the cost of customs examinations of small non-commercial parcels.

On the harmonisation of address-coding, automatic-reading and sorting systems, ministers agreed to ask the commission to study this problem in collaboration with experts of the member states.

Ministers discussed three telecommunications subjects: they agreed to ask the commission to study the respective roles of the public bodies responsible for managing telecommunications monopolies; to study the private sector; and to study the question of the trend in prices to the user.

After a discussion on co-ordinating projects for the development of telecommunication networks in the community, ministers noted the commission's intention to draw up a list of the main standards being used, or are on the drawing-board, to consult with the Conference Europeene des Administrations Postes et des Telecommunications and to work on the further definition of new electronically-based technologies.

EEC preferences – new customs notices

Two new customs notices, 827 ('EEC Exports – Preference Procedures') and 828 ('EEC Preferences – Rules of Origin') will be available towards the end of January 1978. This means that all information on preferences, other than those concerning Greece and Turkey, will be contained in three notices; the third is already available – 826 ('EEC Preferences – Imports').

The issue of these notices effectively cancels notices 343, 810, 810A, 813, 813B, 814, 814B, 816 (but see below), 818, 819 (see below), 820, 821 and 825.

Notice 827 sets out in detail the procedures governing applications for and the issue of movement certificates, etc, and the form of supporting evidence which exporters must hold. Exporters should note especially the revised declarations required on applications for movement certificates contained in appendix D.

Notice 828 – which will be in loose-leaf form – deals with the rules of origin applicable to the various preferential arrangements. The format of the rules in this notice is the same as that used in the July 1976 edition of notice 810; appendix B of the notice lists all the qualifying processes for all of the agreements; section 1 sets out a general list of qualifying processes and sections 2 to 7 variations from that list as prescribed by different agreements.

The loose-leaf format means that amendments can be issued more easily and quickly as and when necessary. Amendment 1 is now in preparation and is expected to be available early in February 1978. It takes account of the changes in certain of the rules of origin following the amendment on 1 January 1978 of the CCC nomenclature and introduces a new origin rule for certain goods put up in sets.

Until the new notices and the first amendment to notice 828 are available, the provisions of existing notices should continue to be applied except in the case of notice 816 (Spain), in which references to forms AE1 and AE2 should be read as EUR 1 and EUR 2 respectively.

In cases where the goods to be exported have changed their classification as a result of the amendment of the CCC nomenclature, exporters should *for origin purposes only*, apply the rules of origin as though reclassification has not occurred.

A new origin rule for certain goods put up in sets comes into operation on 1 January 1978. This provides that when the classification of sets falls to be determined according to interpretative rule 3(b) or (c) of the CCC nomenclature (ie when there is no tariff heading specifically covering a particular set of goods), the following rule shall apply:
'All component articles in the set must be originating, ie they must have satisfied the qualifying process applicable to the tariff heading in which they are individually classified. However, as a relaxation, non-originating component articles may be included in the set provided that the total value of such articles does not exceed 15 per cent of the ex-works price of the set.'

It should be particularly noted that this special rule does not apply to sets which are classified in tariff headings which specifically include sets, eg 82.13 which covers manicure and chiropody sets. The origin rule applicable to such sets is that for the tariff heading in which the set is classified.

Because the position regarding Spain and Cyprus has not yet been finalised, the provisions of the two new notices should not be applied to preferential exports to those countries until further notice. Exporters should continue to operate the provisions of notices 816 and 819 respectively

Duty-free quotas for newsprint

Under the provisions of regulation 2608/77 of the council, an EEC duty-free tariff quota is to be opened for 1978 for newsprint falling within subheading 48.01A of the 1978 common customs tariff. As in previous years, the regulation (published in the *Official Journal of the European Communities* L 305, 29 November 1977), makes provision for member states to extend the quota to include certain other types of paper.

Importers should note that, as previously, newsprint falling within sub-heading ex 48.01F of the tariff and corresponding to the definition contained in the additional note to chapter 48 of the tariff, except as regards the criteria governing watermarks may, on importation on or after 1 January 1978, be entered against the above quota. (The corresponding tariff sub-heading for this year's quota is ex 48.01E. This tariff heading is to be changed on 1 January next to 48.01F following alterations to certain headings of the common customs tariff).

Any inquiries about this notice or any inquiry concerning other tariff quotas should be addressed to Department of Trade, General Division, Room 333, Kingsgate House, Victoria Street, London SW1H 0ET, tel. 01-215 5490.

Licensing exports of non-alloy ferrous scrap

The European community's previous arrangements for licensing exports of non-alloy ferrous scrap to countries outside the community expired on 30 June and for the second half of 1977 each country has made its own arrangements within the spirit of the liberalisation proposals discussed in Brussels. Meanwhile the community discussions continue on a longer-term regime. The interim arrangements for licensing exports of non-alloy ferrous scrap to countries outside the community, announced by the Department of Industry on 3 October, will be maintained until further notice and applications will continue to be considered from all exporters providing evidence of firm orders.

This method of licensing will apply to all grades of non-alloy ferrous scrap. The following types are treated as low-grade or fragmentised scrap: Compressed baled material, other than compressed unused sheet and sheet cuttings; loose used wrought material containing 90 per cent or more, by weight, of a material of a thickness not exceeding 3 mm; turnings and borings; fragmentised used wrought material. High-grade scrap includes all non-alloy ferrous scrap other than that referred to above. Licences will be valid for a period of not more than two months. Further applications may be submitted when any previous licence has been used and evidence of usage may be required.

Applications should be made to the Department of Industry, Iron and Steel Division, Room 821, Ashdown House, 123 Victoria

Street, London SW1. These should give details of the intended shipments and supporting documentary evidence (in English) of the order. Telex messages giving full details will be accepted but must be followed within not more than two weeks thereafter by written confirmation of the order. Exporters will be required to report to the Department of Industry by not later than the sixth day of each month exports made against licences in the preceding calendar month. The arrangements announced in this notice will continue to be subject to review.

Inquiries on the issue of licences should be addressed to the Department of Trade, Export Licensing Branch, Sanctuary Buildings, Great Smith Street, London SW1P 3DB.

New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7174/482/408. Applications for copies of the *Official Journal of the European Communities* containing the legislation referred to should be made to HMSO and not to the inquiry points given in the notices.

Common agricultural policy

The texts of the following regulations which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*.

General. Regulation (EEC) 2560/77 amending the nomenclature for certain agricultural products, various regulations concerning these products and the common customs tariff (*Official Journal* L 303, 28 November 1977).

Wine. Regulation (EEC) 2617/77 amending regulation (EEC) 1153/75 prescribing the form of the accompanying documents for wine products and specifying the obligations of wine producers and traders other than retailers (*Official Journal* L304, 29 November 1977).

The *Official Journal* L312, 6 December 1977, contains the texts of:

Regulation (EEC) 2681/77 amending for the second time regulation (EEC) 142/77 fixing an additional rate for determining the quantities of alcohol to be delivered as part of the wine deliveries for the 1976/77 wine-growing year.

Regulation (EEC) 2682/77 on the recording of quotations and the fixing of average prices and representative prices for table wines.

Regulation (EEC) 2689/77 fixing the activating prices for table wines for the period 16 December 1977 to 15 December 1978 (*Official Journal* L314, 8 December 1977).

Milk and milk products. Regulation (EEC) 2624/77 amending regulation (EEC) 986/68 laying down general rules for granting aid for skimmed milk and skimmed-milk powder for use as feed. The first indent of paragraph 4 of article 2a of regulation (EEC) 986/68 shall be replaced by the following:

'... the skimmed milk referred to in article 2 (1) (a) is sold, at a maximum price to be fixed, to farms where it is used as feed for animals other than young calves.'

(*Official Journal*, L306, 30 November 1977).

Fruit and vegetables. Regulation (EEC) 2664/77 fixing for the marketing year 1977/78 the minimum purchase price for oranges supplied for processing and the amount of financial compensation payable in respect of the processing of such oranges (*Official Journal* L309, 2 December 1977).

Soya beans. Regulation (EEC) 2665/77 supplementing regulation (EEC) 1790/76 laying down rules for the application of special measures in respect of soya beans (*Official Journal* L309, 2 December 1977).

Fish and fish products. The *Official Journal* L315, 9 December 1977, contains the texts of:

Regulation (EEC) 2715/77 fixing the guide prices for the fishery products listed in annex I (A) and (C) to regulation (EEC) 100/76 for the 1978 fishing year.

Regulation (EEC) 2716/77 fixing the guide prices for the fishery products listed in annex II to regulation (EEC) 100/76 for the 1978 fishing year.

Regulation (EEC) 2717/77 fixing the intervention prices for fresh or chilled sardines and anchovies for the 1978 fishing year.

Regulation (EEC) 2718/77 fixing the community producer price for tunny intended for the canning industry for the 1978 fishing year.

Cereals and rice. Regulation (EEC) 2738/77 amending for the thirteenth time regulation (EEC) 2042/75 on special detailed rules for the application of the system of import and export licences for cereals and rice (*Official Journal* L316, 10 December 1977).

Live plants and products of the flower growing industry. Regulation (EEC) 2737/77 amending regulation (EEC) 537/70 authorising member states to take measures derogating from certain requirements of the quality standards applicable to exports to third countries of flowering bulbs, corms and tubers (*Official Journal* L316, 10 December 1977).

Imports from non-member states

The *Official Journal* L309, 2 December 1977, contains the texts of the following decisions:

Decision 77/734/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to shirts other than of silk, noil or other waste silk, flax or ramie, for men and boys, falling within heading ex 61.03 of the common customs tariff, originating in the Republic of Korea and in free circulation in the other member states.

Decision 77/735/EEC authorising Belgium, Luxembourg and the Netherlands not to apply community treatment to men's leather footwear falling within heading ex 64.02 of the common customs tariff, originating in Romania and in free circulation in the other member states.

Decision 77/736/EEC authorising France not to apply community treatment to knives with cutting blades, serrated or not, including pruning knives (save for knives with handles of ivory or of gilt or silver-plated base metals, falling within heading ex 82.09 of the common customs tariff, originating in Japan and in free circulation in the other member states.

Decision 77/764/EEC authorising Belgium, Luxembourg and the Netherlands, not to apply community treatment to drawn or blown glass falling within heading ex 70.05 of the common customs tariff, originating in Hungary and in free circulation in the other member states (*Official Journal* L314, 8 December 1977).

Harmonisation of legislation

Classification, packaging and labelling of dangerous substances. The *Official Journal* L303, 28 November 1977, contains the text of the following:

Directive 77/728/EEC on the approximation of the laws, regulations and administrative provisions of the member states relating to the classification packaging and labelling of paints, varnishes, printing inks, adhesives and similar products. Further information: Health and Safety Executive, Baynards House, 1 Chepstow Place, London W2, tel. 01-229 3456 ext. 547.

Public supply contracts. The national currency equivalents of the European unit of account applicable as from 1 January 1978 for public supply contracts cited in directive 77/62 have been published in *Official Journal of the European Communities* C286, 29 November 1977 as follows:

(Currency amount for one EUA) Bfrs/Lfrs 40.9058; DM 2.66117; Fl 2.79722; £ 0.658560; Dkr 6.75536; FF 5.58305; Lit 995.228; £I 0.658559.

The text of directive 77/62, co-ordinating procedures for the award of public supply contracts, was published in *Official Journal* L13, 15 January 1977.

EEC/Argentine agreement. The *Official Journal of the European Communities* L310, 3 December 1977, contains the text of decision 77/740/EEC concluding the agreement in the form of an exchange of letters extending to 31 December 1978 the trade agreement between the European Economic Community and the Argentine Republic.

This affects trade in certain of the products covered by headings 02.01A (meat of bovine animals, horses, asses, mules and hinnies) and 02.06A (horsemeat, salted in brine, or dried) of the common customs tariff of the EEC.

Common customs tariff

Regulation (EEC) 2696/77 determining the conditions of entry of goods under subheadings 04.05 BII, 11.04 ex B1 and C1, 25.01 AIIa) and 35.02 A1 of the common customs tariff (*Official Journal* L314, 8 December 1977).

Commercial policy

Regulation (EEC) 2722/77 amending article 3 of regulation (EEC) 646/75 establishing community surveillance over imports of slide fasteners (*Official Journal* L315, 9 December 1977).

Statistics

The economy: selected indicators

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
				of which			of which					
			Total	Manufacturing industry	Distributive and service industries excl. shipping	Total	Manufacturing industry	Wholesalers	Retailers	Current balance	Visible balance	Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index Series in Stock level at end-1976	1970	£ million	£ million			£ million				£ million		
						18,041	10,528	1,830	1,929			
1970	100.0	31,696	9,453	2,130	1,799	444	325	68	−16	695	−25	720
1971	101.8	32,675	9,682	1,991	1,930	92	−148	52	18	1,058	280	778
1972	104.2	34,542	9,797	1,739	2,071	34	−145	48	15	106	−702	808
1973	110.4	36,062	10,253	1,753	2,414	1,321	597	102	379	−909	−2,353	1,444
1974	109.5	35,361	10,287	2,028	2,414	596	634	81	−109	−3,537	−5,194	1,657
1975	107.8	35,257	10,062	1,745	2,034	−743	−429	−111	−65	−1,647	−3,203	1,556
1976	110.1	35,405	9,724	1,659	1,974	66	5	23	9	−1,227	−3,571	2,344
1975 2nd qtr.	108.0	8,880	2,484	446	513	−213	−74	−51	−81	−331	−657	326
3rd qtr.	106.6	8,739	2,562	420	512	−213	−209	−26	16	−599	−974	375
4th qtr.	107.4	8,649	2,461	407	494	−147	−115	−12	24	−143	−628	485
1976 1st qtr.	110.1	8,829	2,489	405	471	44	0	26	33	−65	−538	473
2nd qtr.	109.6	8,797	2,425	407	489	−57	−66	−20	−45	−350	−907	557
3rd qtr.	109.8	8,880	2,435	421	506	−1	−2	14	16	−446	−1,144	698
4th qtr.	110.8	8,899	2,375	426	508	80	73	3	5	−366	−982	616
1977 1st qtr.	109.4	8,762	2,242	419	507	209	125	51	102	−516	−930	414
2nd qtr.	109.9	8,663	2,241	432	509		164	39	−5	−280	−698	418
3rd qtr.		8,800 pe		454 p	524 p		−78 p	11 p	−44 p	399	−50	449
% change last 2 qtrs. on prev. 2 qtrs.	−0.6	−1.1	−6.8	+4.9	+1.8							
on a year earlier	−0.2	−1.2	−8.8	+7.0	+3.8							

	Industrial production		Personal expenditure		Prices and earnings					Labour (UK)			Visible trade (volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices		Wholesale prices: all manufacturing industry		Average gross earnings of all employees (GB, all industries and services covered)	Unemployed excluding school leavers and adult students		Unfilled vacancies for adults	Export	Import
				monthly averages		% increase on a year earlier	basic materials and fuel used	manufactured products: home sales		mid-month count	% of total employees	mid-month count	On a balance of payments basis	
	at 1970 prices		at 1971 prices		(not seasonally adjusted)				(old series)				at 1970 prices	
Base of index £m in base year Series in	1970	1970	1971 15,895	thousands	Jan. 1974		1970	1970	Jan. 1970	thousands		thousands	1970 7,907	1970 7,932
1971	100.3	99.4	100.0	108.5	80.0	9.4	104.6	109.0	119.4	775.8	3.4	130.9	106.7	104.2
1972	102.5	102.0	105.8	138.6	85.7	7.1	109.2	114.8	134.8	854.9	3.7	147.3	107.1	116.7
1973	109.9	110.5	110.7	137.1	93.5	9.1	144.5	123.2	152.6	611.0	2.6	307.0	122.2	133.8
1974	106.9	108.8	109.9	102.8	108.5	16.0	215.3	152.0	179.6	599.7[1]	2.6[1]	302.7[1]	132.0	136.4
1975	101.6	102.3	107.9	97.2	134.8	24.2	235.4	188.7	227.6	929.0	3.9	150.0[1]	126.1	126.5
1976	102.2	103.5	108.1	104.7	157.1	16.5	299.0	219.6	263.3	1,269.8[1]	5.4[1]	120.4[1]	136.6	134.3
1976 3rd qtr.	101.8	103.8	108.9	97	158.5	13.7	306.8	223.2	265.5	1,305.5	5.5	123.6	134.9	138.0
4th qtr.	103.2	104.9	108.5	113	165.8	15.0	329.9	233.9	272.8	1,316.8[1]	5.6[1]	..	141.5	138.2
1977 1st qtr.	103.6	105.7	105.0	104	174.1	16.5	341.5	248.0	280.2	1,330.2	5.6	..	141.9	142.4
2nd qtr.	102.2	103.1	103.9	102	181.9	17.4	347.7	259.2	285.2	1,330.4	5.6	159.2	149.9	144.4
3rd qtr.	102.7	103.8	106.8	112	184.7	16.5	340.5	267.7	288.2 p	1,420.8	6.0	150.5	153.7	141.9
1976 Oct.	102.8	104.9	108.1	109	163.5	14.7	327.7	230.0	269.0	1,307.9	5.5	124.5	141.6	140.7
Nov.	103.4	105.1	109.2	119	165.8	15.0	331.8	234.6	272.2	..	..	..	138.8	140.2
Dec.	103.5	104.6	108.3	111	168.0	15.1	330.2	237.2	277.1	1,325.7 e	5.6 e	..	144.1	133.7
1977 Jan.	103.7	105.6	106.7	93	172.4	16.6	337.8	244.9	278.1	1,338.2	5.7	..	142.2	153.9
Feb.	103.5	105.7	105.7	118	174.1	16.2	339.5	248.2	278.7	1,331.4	5.6	150.5	139.5	133.9
Mar.	103.6	105.9	103.1	102	175.8	16.7	347.2	250.8	283.8	1,321.1	5.6	157.3	144.1	139.5
Apr.	102.5	103.7	103.4	108	180.3	17.5	349.7	255.4	283.1	1,322.6	5.6	158.5	150.5	139.2
May	103.7	105.3	104.4	108	181.7	17.1	348.3	259.8	286.2	1,315.9	5.6	161.2	146.1	142.9
June	100.2	100.3	103.8	90	183.6	17.7	345.2	262.4	286.2	1,352.9	5.7	157.8	153.2	151.2
July	102.8	104.3	107.0	109	183.8	17.6	344.5	265.8	286.5	1,402.2	5.9	152.7	153.5	149.1
Aug.	102.7	103.5	107.2	124	184.7	16.5	338.8	268.1	288.1	1,413.8	6.0	154.1	152.0	131.7
Sept.	102.7	103.7	106.2	103	185.7	15.6	338.1	269.2	289.5 p	1,446.4	6.1	144.7	155.7	144.8
Oct.	101.4 p	102.4 p	105.4	118	186.5	14.1	333.9 p	271.0 p		1,433.4	6.1	153.4	150.0	140.4 p
Nov.			105p		187.4	13.0	330.3 p	271.9 p		1,432.9	6.1	155.6	142.9 p	133.2 p
% change latest 3 months on prev. 3 months	—	−0.1	−0.2	+12.4	+1.4		−2.5	+2.0	+1.1	+3.4			−2	−3
on a year earlier	+0.1	−0.9	−2.9	+11.3	+14.2		+2.9	+17.5	+8.6	+9.4			+7	−1

p Provisional pe Preliminary estimate e Estimate .. Not available [1] Average of available months

Inquiries: 01-215 3453

Engineering sales and orders up to September

SIC orders VII, VIII and IX

Provisional trend estimates and seasonally adjusted volume indices of engineering sales and orders up to September show that the improvement in new home orders and sales first noted last month was maintained, owing mainly to increased demand for goods of the electrical engineering industry. However, in the export market, which had previously been stronger than the domestic market, demand as measured by contracts received and sales fell somewhat in the third quarter. This did not completely offset the rising trends in the home market, so total new orders and sales increased while orders-on-hand continued unchanged.

The trend of new domestic orders, net of cancellations, increased by 7 per cent during the third quarter, resuming the improvement which was recorded last year until it faltered during the second quarter of 1977. There was also some improvement in home sales, 2½ per cent according to trend estimates, but home order books were still at too low a level to support a sustained recovery in output. However, the recent inflow of new orders bought them just above the level of sales and produced a slight lengthening of home order books, although this was not sufficient to reverse the downward trend.

The export market presents a different picture. The inflow of new orders from abroad improved rapidly during 1976, but this year the trend has been mainly downwards, with only a slight interruption in the second quarter; during the third quarter it fell by 4 per cent. Following on last year's inflow of orders, export sales began to pick up towards the end of the year, but this improvement has recently slowed, and the trend in fact fell very slightly during the third quarter. As new export orders fell away, the improvement in orders-on-hand since mid-1976 has levelled out and the index at the end of September was much the same as at the end of June.

As a result of these opposing movements, the trends of total new orders and sales rose by 3 per cent and 1½ per cent respectively during the third quarter. Total order books continued virtually flat, as they have been for over a year.

The revised figures published in this table are based on the monthly engineering inquiry relating to September 1977. The response rate of 86 per cent to the inquiry for September 1977 is judged sufficient to justify publication of provisional indices for this month. Taking into account late returns now received for June, July and August 1977 response rates for

Notes to table

[1] This ratio shows the number of months work in the order book in the base year at the then average rate of sales. [2] For orders-on-hand, the percentage changes compare the level at the end of the latest period shown with the corresponding level for the earlier period. The percentage changes have been based on the unrounded values and are given to the nearest half percentage point. p Provisional.

Volume index numbers for the combined engineering industries up to September

	Total			Home			Export		
	1970 average = 100	1970 average monthly sales = 100		1970 average = 100	1970 average monthly sales = 100		1970 average = 100	1970 average monthly sales = 100	
	Orders-on-hand (end of period)	New orders	Sales	Orders-on-hand (end of period)	New orders	Sales	Orders-on-hand (end of period)	New orders	Sales
Ratio: orders-on-hand/av. monthly sales in 1970 [1]	6.7			6.3			7.6		
Trend estimates									
1975									
July	109	91	109	102	88	105	125	99	119
August	106	90	108	99	87	105	122	96	118
September	104	89	108	96	87	104	120	96	118
October	101	90	107	94	86	103	117	98	118
November	98	90	106	91	86	101	115	102	119
December	96	91	105	89	86	99	113	105	121
1976 p									
January	95	92	104	88	87	98	111	106	122
February	93	93	104	86	88	97	108	105	122
March	91	93	104	85	89	97	106	105	122
April	90	94	104	83	89	98	104	108	122
May	89	96	105	82	89	99	103	112	121
June	88	98	105	81	91	100	103	119	120
July	87	102	105	80	93	100	104	125	118
August	87	105	105	79	95	101	106	131	118
September	87	107	106	78	97	101	108	136	119
October	88	109	106	77	98	101	111	139	121
November	88	110	107	77	99	101	113	139	123
December	89	110	107	77	100	100	115	137	124
1977 p									
January	89	110	106	77	101	100	116	134	124
February	90	109	106	77	101	99	117	131	125
March	90	107	106	77	99	98	117	129	126
April	90	106	105	77	97	98	118	129	127
May	90	105	106	77	95	97	118	131	128
June	89	105	106	77	95	97	118	131	129
July	89	105	106	76	96	98	118	130	129
August	89	107	107	76	98	99	119	129	129
September	89	108	107	76	101	100	119	126	128
Percentage change [2] Jun-Sep 1977	—	+3.0	+1.5	−0.5	+7.0	+2.5	+0.5	−4.0	−0.5
Seasonally adjusted									
1970	99	100	100	100	100	100	97	101	100
1971	90	94	100	94	96	99	82	90	100
1972	97	104	100	101	107	103	88	96	92
1973	127	128	111	127	129	114	127	128	103
1974	127	115	115	122	110	113	141	128	119
1975	96	93	110	89	89	106	112	103	121
1976 p	88	100	105	76	92	99	114	122	121
1976 p									
1st qtr	92	94	104	85	91	98	106	105	120
2nd	87	95	106	81	89	99	101	109	122
3rd	87	106	106	79	98	101	106	128	118
4th	88	107	105	76	92	98	114	146	124
1977 p									
1st qtr	90	111	107	78	105	101	117	128	122
2nd	89	104	106	76	93	97	118	134	130
3rd	90	108	107	77	101	100	118	126	128
1976 p									
January	95	101	108	87	92	103	113	125	120
February	93	93	104	87	96	99	109	86	118
March	92	89	99	85	84	91	106	103	120
April	90	97	108	84	95	102	104	102	124
May	88	92	109	82	83	102	102	115	129
June	87	95	100	81	89	95	101	111	114
July	87	104	105	78	85	99	107	157	119
August	87	110	106	79	108	103	107	116	114
September	87	104	106	79	101	101	106	112	120
October	88	112	109	78	97	106	111	155	118
November	88	109	104	77	91	97	115	156	122
December	88	99	103	76	89	92	114	126	131
1977 p									
January	89	122	112	77	112	107	117	148	126
February	90	112	108	78	112	104	116	113	121
March	90	100	100	78	92	93	117	124	120
April	90	109	108	78	102	100	117	128	129
May	90	103	102	77	88	93	119	144	127
June	89	101	107	76	90	98	118	129	133
July	88	102	109	75	91	100	118	134	133
August	90	117	105	77	114	99	119	124	122
September	90	104	107	77	98	99	118	121	127
Apr-Jun 1977 (av.)	89	104	106	76	93	97	118	134	130
Jul-Sep 1977 (av.)	90	108	107	77	101	100	118	126	128
Percentage change [2]	+0.5	+3.5	+1.5	+1.0	+8.0	+3.0	−0.5	−5.5	−2.0

these months were 94, 92 and 88 per cent respectively.

An expanded commentary, together with additional tables, is given in Business Monitor PM 33-36, Engineering (volume indices of sales and orders), obtainable from HMSO, PO Box 569, London SE1 9NH, post free for a subscription of £3.06 per annum. Separate commentaries and volume indices are given for sales, orders-on-hand and new orders for total, home and export markets, for mechanical, instrument and electrical engineering (SIC orders VII, VIII and IX respectively).

Inquiries: Department of Industry, Room 618, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG, tel. 01-212 5770.

Index of retail prices for November

The index of retail prices for all items for 15 November 1977 was 187.4 (15 January 1974 = 100). This represents an increase of 0.5 per cent on October 1977 (186.5) and of 13.0 per cent on November 1976 (165.8).

The rise in the index in November was due to increases in transport costs (particularly in the prices of cars); to smaller increases in the prices of many articles of clothing and footwear, household and horticultural goods and some foods; and to increases in charges for some services and for meals bought and consumed outside the home.

The movements for the main groups of the index are shown in table 2.

Inquiries: Watford 28500 ext. 630.

Table 2 Index of retail prices

	Indices (15 Jan 1974 = 100)		Percentage change over the month
	18 Oct 1977	15 Nov 1977	
All items	186.5	187.4	+0.5
All items excluding food	184.9	185.9	+0.5
Food	192.3	192.9	+0.3
Seasonal food	168.1	166.9	−0.7
Other food	196.9	197.5	+0.3
Alcoholic drink	188.3	188.3	+0.0
Tobacco	218.2	218.2	+0.0
Housing	163.3	163.3	+0.0
Fuel and light	220.8	220.3	−0.2
Durable household goods	172.2	173.8	+0.9
Clothing and footwear	163.3	164.4	+0.7
Transport and vehicles	194.3	195.6	+0.7
Miscellaneous goods	195.6	196.9	+0.7
Services	176.9	180.6	+2.1
Meals out	195.9	197.4	+0.8

Table 1 Index of retail prices

	All items				All items except seasonal foods			
	Index 15 Jan 1974 = 100	Percentage change over 1 month	6 months	12 months	Index 15 Jan 1974 = 100	Percentage change over 1 month	6 months	
1977								
June	183.6	+1.0	+9.3	+17.7	182.4	+1.1	+9.4	
July	183.8	+0.1	+6.6	+17.6	183.5	+0.6	+7.4	
August	184.7	+0.5	+6.1	+16.5	184.9	+0.8	+7.2	
September	185.7	+0.5	+5.6	+15.6	186.2	+0.7	+6.8	
October	186.5	+0.4	+3.4	+14.1	187.3	+0.6	+4.8	
November	187.4	+0.5	+3.1	+13.0	188.2	+0.5	+4.3	

Business Monitors

The following titles and issues of Business Monitors are now available:

PRODUCTION SERIES
Monthly at £3.06 each per year post free:
PM 332 Metal-working machine tools for August 1977
PM 423 Foam backing, foam laminating and fabric to fabric bonding for October 1977
PM 471.1 Wood chipboard for October 1977
Quarterly at £1.00 each per year post free
PQ 109.2 Miscellaneous mining and quarrying for third quarter 1977
PQ 240 Tobacco for third quarter 1977
PQ 321 Aluminium and aluminium alloys for third quarter 1977
PQ 322 Copper, brass and other copper alloys for third quarter 1977
PQ 333.2 Valves for second quarter 1977
PQ 351 Photographic and document copying equipment for third quarter 1977
PQ 338 Office machinery for second quarter 1977
PQ 380 Wheeled tractors for third quarter 1977
PQ 392 Cutlery, spoons, forks, tableware including safety razors and blades for third quarter 1977
PQ 399.10 Metallic closures for third quarter 1977
PQ 411 Production of man-made fibres for third quarter 1977
PQ 418 Lace for third quarter 1977
PQ 449.2 Gloves for third quarter 1977
PQ 479 Miscellaneous wood and cork manufactures for third quarter 1977
PQ 482.2 Miscellaneous packaging products of paper and film for third quarter 1977
PQ 492 Plastics floor coverings, leather-cloth, etc, for third quarter 1977

MISCELLANEOUS SERIES
Monthly at £3.06 each per year post free:
M 1 Motor Vehicle Registrations for October 1977

SERVICE AND DISTRIBUTIVE SERIES
Monthly at £3.06 each per year post free:
SD 1 Food shops for October 1977
SD 2 Clothing and footwear for October 1977
SD 3 Durable goods shops for October 1977
SD 4 Miscellaneous non-food shops for October 1977
SD 6 Instalment credit business of finance houses for October 1977
SD 8 Instalment credit business of retailers for October 1977
1973 Report on the Census of Production (price including postage shown in parentheses)
PA 231 Brewing and malting (67p)
PA 322 Copper, brass and other copper alloys (67p)
PA 412 Spinning and doubling on the cotton and flax systems (67p)
PA 413 Weaving of cotton, linen and man-made fibres (67p)
1975 Report on the Census of Production (price including postage shown in parentheses)
PA 500 Construction (£1.09½)

Business Monitors in the production series and miscellaneous series, and certain monitors (nos. SD 1 and SD 6) in the service and distributive series, are available by annual subscriptions from Her Majesty's Stationery Office, PO Box 569, London SE1 9NH.

Average earnings in October and basic rates of wages in November

Indices of average earnings

Average earnings of employees in all industries and services in Great Britain are estimated to have risen by about 8.7 per cent between October 1976 and October 1977. This estimate is based on the new series of monthly index numbers of average earnings for the whole economy which was introduced from January 1976. Over this 12-month period, average earnings in production and other industries covered by the older series, introduced from January 1963, increased by about 9.5 per cent. The figures for recent months are:

New series (whole economy) Not seasonally adjusted

	Index Jan 1976 = 100	Percentage increase over previous 12 months
1977		
May	114.9	9.0
June	115.4	8.2
July	116.2	8.1
August	115.7	7.3
September	116.6	7.7
October p	117.9	8.7

p Provisional.

Older series (production industries and some services)

	Seasonally adjusted			Un-adjusted index: January 1970 = 100
	Index: January 1970 = 100	Percentage increase Over previous month	Over previous 12 months	
1977				
May	286.2	1.1	10.2	288.9
June	286.2	0.0	9.6	288.9
July	286.5	0.1	8.9	290.8
August	288.7	0.7	8.0	287.3
September	290.1	0.5	9.0	292.4
October p	294.6	1.5	9.5	296.5

p Provisional.

Indices of basic rates of wages

At the end of November 1977, nationally-negotiated basic weekly rates of wages of manual workers were on average 4.5 per cent higher than a year earlier. During November, the index of basic weekly rates increased only slightly, from 229.1 to 229.2. The figures for recent months are:

	Indices, 31 July 1972 = 100		Percentage increases over previous 12 months	
	Basic weekly rates	Basic hourly rates	Basic weekly rates	Basic hourly rates
1977				
30 June	227.4	228.7	5.6	5.6
31 July	228.2	229.6	4.8	4.8
31 August	228.5	229.9	4.9	4.9
30 September	228.8	230.2	5.0	5.0
31 October	229.1	230.5	5.0	5.0
30 November	229.2	230.6	4.5	4.5

The indices take account only of changes in nationally-negotiated rates. The year-on-year increases consequently reflect that there have been no changes in such rates for engineering workers since February 1976.

Inquiries: Watford 28500 ext. 651.

Release dates of economic statistics to be published in January

Information in the table is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the dates of publication of major economic series in January 1978. The dates are those which departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further inquiries about individual series should be addressed to the source named.

Publication date and series	Method of release	Source
4 Wed		
UK official reserves (Dec)	PN	HM Treasury
Capital issues and redemptions (during the month of Dec)	PN	Bank of England
Investment intentions of the manufacturing, distributive and service industries (1978 and 1979)	PN	Department of Industry
5 Thur		
Unemployment (Nov – final)	*Gazette*	Department of Employment
Employment in the production industries (Oct)	*Gazette*	Department of Employment
Overtime and short-time working in manufacturing industries (Oct)	*Gazette*	Department of Employment
Stoppages of work due to industrial disputes (Nov)	*Gazette*	Department of Employment
9 Mon		
Wholesale price index numbers (Dec – prov)	PN	Department of Industry
10 Tues		
Hire purchase and other instalment credit business (Nov)	PN	Department of Trade
Retail sales (Nov – final)	PN	Department of Trade
Provisional figures of vehicle production (Dec)	PN	Department of Industry
Personal income, expenditure and savings (3rd qtr); gross domestic product (3rd qtr – rev)	PN	CSO
Housing starts and completions (Nov)	PN	Department of the Environment
House renovation grants approved (Nov)	PN	Department of the Environment
Appropriation account of industrial and commercial companies and net acquisition of financial assets (3rd qtr)	PN	CSO
11 Wed		
Central Government financial transactions (including borrowing requirement) (Dec)	PN	HM Treasury
UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Dec)	PN	Bank of England
London clearing banks' monthly statement (mid-Dec)	PN	CLCB
13 Fri		
Usable steel production (Dec)	PN	BSC/BISPA
Building Societies' receipts and loans (Dec)	PN	BSA
16 Mon		
Balance of payments current account and overseas trade figures (Dec)	PN	Department of Trade/ CSO
Retail sales (Dec – prov)	PN	Department of Trade
Cyclical indicators for the UK economy (Dec)	PN	CSO
18 Wed		
Index of industrial production (Nov – prov)	PN	CSO
Basic rates of wages and normal weekly hours (Dec)	PN	Department of Employment
Monthly index of average earnings (Nov)	PN	Department of Employment
19 Thur		
UK banks' assets and liabilities and the money stock (mid-Dec)	PN	Bank of England
London dollar and sterling certificates of deposit (mid-Dec)	PN	Bank of England
Consumers' expenditure (4th qtr – 1st preliminary estimate)	PN	CSO
20 Fri		
Retail prices index (Dec)	PN	Department of Employment
Financial accounts of industrial and commercial companies and personal sectors (3rd qtr)	PN	CSO
Net acquisition of financial assets – analysis by sector (3rd qtr)	PN	CSO
22 Sun		
National Savings monthly progress report (Dec)	PN	National Savings Committee
23 Mon		
Construction – new orders (Nov)	PN	Department of the Environment
New vehicle registrations (Dec)	PN	Department of Transport
24 Tues		
Unemployment (Jan – prov)	PN	Department of Employment
Unfilled vacancies (Jan – prov)	PN	Department of Employment
26 Thur		
Car and commercial vehicle production (Dec – final)	PN	Department of Industry
Bricks and cement production (Dec)	PN	Department of the Environment
Energy Trends	PN	Department of Energy
Unemployment (Dec – final)	*Gazette*	Department of Employment
Employment in the production industries (Nov)	*Gazette*	Department of Employment
Overtime and short-time working in the manufacturing industries (Nov)	*Gazette*	Department of Employment
Stoppages of work due to industrial disputes (Dec)	*Gazette*	Department of Employment
27 Fri		
Sales and orders in the engineering industries (Oct)	*Trade and Industry*	Department of Industry
31 Tues		
CBI Industrial Trends Survey (Jan)	PN	CBI

PN press notice.

Current cost accounting

The sixth edition of *Price index numbers for Current Cost Accounting* (Pincca) has been published by the Government Statistical Service (HMSO, £3.50 or £3.79 including postage).

Pincca is a booklet of price indices for companies and others who wish to prepare accounts or supplementary statements on the current cost basis. It is specified as a source of indices for the United Kingdom in the interim recommendation issued on 4 November by the accounting standards committee. It presents all the industry-specific price indices for fixed assets and stocks, and all the asset-specific indices likely to be useful for revaluing fixed assets, which are available at present. It also includes the index of the cost of new construction and the general index of retail prices. In general, figures are now given up to October 1977.

The next edition of Pincca will be published in April 1978. At a later stage it is planned to issue monthly supplements giving the latest figures. Meanwhile, these figures may be obtained from the Central Statistical Office, tel. 01-233 7718/7661.

New companies registered in November

Below are details of new companies registered in Great Britain in November showing nominal capital. The figures exclude unlimited companies and companies limited by guarantee.

Inquiries: Cardiff (0222) 388588 ext. 2226.

Companies registered in Great Britain in November

Nominal capital	Total	Public companies	Private companies
Not exceeding £100	3 335	—	3 335
Over £100 but under £1 000	52	—	52
£1 000 but under £10 000	1 043	—	1 043
£10 000 but under £50 000	401	—	401
£50 000 but under £100 000	70	—	70
£100 000 but under £1 000 000	103	—	103
£1 000 000 and over	3	—	3
Total number	5 007	—	5 007
	£ thous	£ thous	£ thous
Total amount of nominal capital	32 987	—	32 987

Companies registered in Great Britain in 1976 and 1977

	1976		1977	
	Number	Nominal capital £ thous	Number	Nominal capital £ thous
January	3 476	21 780	3 225	30 825
February	4 088	19 228	4 330	34 505
March	6 190	41 680	5 843	49 266
April	4 150	22 354	5 499	41 860
May	4 343	25 095	4 097	27 086
June	5 624	25 815	4 169	61 951
July	4 954	58 659	4 172	34 238
August	4 221	44 690	4 242	42 331
September	4 377	25 342	4 527	51 261
October	4 600	34 544	4 404	37 741 r
November	4 667	60 549	5 007	32 987
December	4 655	147 053		
Total	55 345	526 789		

r Revised

Guide to government statistics

see centre pages
Trade and Industry,
15 July 1977

Current account of the United Kingdom balance of payments for November

In November 1977 the current account is estimated to have been in surplus by £218 million. The surplus on trade in goods was £73 million, seasonally adjusted, and the balance on services and other transactions is estimated to have been running at a monthly surplus of about £145 million.

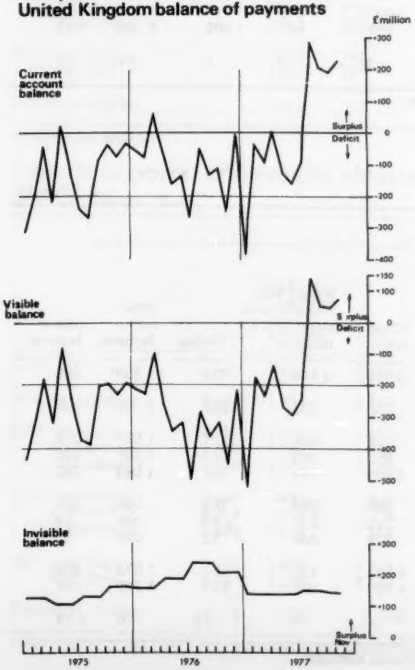
In the three months ended November 1977, there was a current account surplus of £610 million compared with a surplus of £40 million in the previous three months.

£ million seasonally adjusted

	Current balance	Visible balance: Trade in goods	Invisible balance: Services and other current transactions
1975	−1 647	−3 203	+1 556
1976	−1 227	−3 571	+2 344
1976			
1st qtr	−65	−538	+473
2nd	−350	−907	+557
3rd	−446	−1 144	+698
4th	−366	−982	+616
1977			
1st qtr	−516	−930	+414
2nd	−280	−698	+418
3rd	+399	−50	+449
1977			
June	−158	−298	+140 [2]
July	−92	−241	+149 [2]
August	+290	+140	+150 [2]
September	+201	+51	+150 [2]
October	+191	+46	+145 [1]
November	+218	+73	+145 [1]
Jun-Aug	+40	−399	+439
Sep-Nov	+610	+170	+440 [1]

[1] These figures are or include projections and are subject to revision as information becomes available. [2] One third of the appropriate calendar quarter's estimate. Monthly figures of invisibles are not available.

Analysis of the current account of the United Kingdom balance of payments



Visible trade

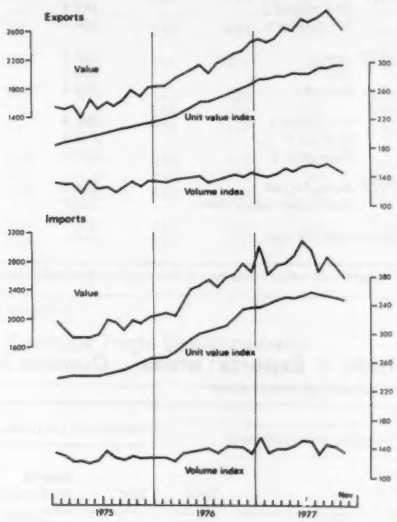
Summary (figures on a balance of payments basis) (see tables 1 and 3)

In November, there was a surplus on visible trade of £73 million, seasonally adjusted,

United Kingdom Trade

on a balance of payments basis seasonally adjusted (except Unit Value Index)

Value £ million f.o.b.
Indices 1970 = 100



£27 million more than the October figure. Total exports fell by £120 million in November, and total imports were down by £147 million.

In terms of volume, exports fell by 4½ per cent in November and imports were down by 5 per cent. The export unit value index rose slightly in November, and the import unit value index fell by 1½ per cent; the terms of trade index rose 1½ per cent. The fall in the import unit value index was the fourth consecutive monthly decrease and probably reflected the initial effects on the recent rise in sterling.

In the three months ended November, there was a visible trade surplus of £170 million, compared with a deficit of £399 million in the previous three months. About £320 million of this marked improvement in the visible balance reflected favourable movements in the more erratic elements of trade: the deficit on trade in oil was little changed. The values of exports and imports in the latest three months were depressed by the effects of the United States east coast docks strike. Exports in the three months ended November were valued at £8,333 million, much the same as in the previous three months.

By volume, exports fell by 2 per cent from the relatively buoyant level in the earlier period. The value of imports, at £8,163 million, was 6½ per cent (£563 million) below the level of the previous three months; erratic elements were responsible for some £230 million of the fall, and imports of oil were down by £87 million. Total import volume was down by 3 per cent. Excluding North Sea installations, imports were 3½ per cent lower in value and ½ per cent in volume. In the three months ended November, the export unit value index increased by 2½ per cent, while the import unit value index, reflecting the recent strength of sterling and some easing of world commodity prices, fell by 1½ per cent; the terms of trade index rose by 4½ per cent.

Exports (Overseas Trade Statistics basis)

The three monthly comparisons for some of the component series are affected by the inclusion in the July export figures, on an overseas trade statistics basis, of North Sea oil production installations valued at around £150 million, which are excluded from the

Table 1 Visible trade on balance of payments basis

Seasonally adjusted values — £ million

	Exports (fob)	Imports (fob)	Visible balance
1975	19 461	22 664	−3 203
1976	25 416	28 987	−3 571
1975			
1st qtr	4 664	5 608	−944
2nd	4 632	5 289	−657
3rd	4 828	5 802	−974
4th	5 337	5 965	−628
1976			
1st qtr	5 642	6 180	−538
2nd	6 242	7 149	−907
3rd	6 429	7 573	−1 144
4th	7 103	8 085	−982
1977			
1st qtr r	7 472	8 402	−930
2nd r	8 071	8 769	−698
3rd r	8 439	8 489	−50
1977			
June r	2 787	3 085	−298
July r	2 739	2 980	−241
August r	2 801	2 661	+140
September r	2 899	2 848	+51
October r	2 777	2 731	+46
November p	2 657	2 584	+73
1977			
Jun-Aug	8 327	8 726	−399
Sep-Nov	8 333	8 163	+170
Percentage change [1]	—	−6½	

[1] Latest three months on previous three months. p Provisional estimates. r Revised estimates.

Table 2 Invisibles[1]

Seasonally adjusted values — £ million

	Credits	Debits	Invisible balance
1975	11 098	9 542	+1 556
1976	14 016	11 672	+2 344
1975			
1st qtr	2 656	2 286	+370
2nd	2 696	2 370	+326
3rd	2 771	2 396	+375
4th	2 975	2 490	+485
1976			
1st qtr	3 152	2 679	+473
2nd	3 355	2 798	+557
3rd	3 669	2 971	+698
4th	3 840	3 224	+616
1977			
1st qtr	3 752	3 338	+414
2nd	3 877	3 459	+418
3rd	4 024	3 575	+449
1977			
October			+145 [2]
November			+145 [2]

[1] See note 6. [2] These figures are projections and are subject to revision as the relevant statistical information becomes available.

figures on a balance of payments basis (see note 11). Where appropriate, the percentage movements of exports excluding North Sea installations are given in brackets so that the area and commodity analyses can be more readily considered in relation to the movements of total exports on a balance of payments basis.

Area analysis (see table 4). In the three months ended November, the value of exports to the developed countries fell by 2 per cent (rose by ½ per cent) in comparison with the previous three months. Deliveries to the EEC rose by 2 per cent, while the value of goods despatched to the rest of western Europe declined by 8½ per cent (rose by ½ per cent). Exports to north America were down by 3½ per cent, with the United States east coast docks strike a contributory factor, and the value of goods despatched to the other developed countries fell by 3 per cent. Exports to the developing countries in aggregate rose by ½ per cent in the three months to November; shipments to the oil-exporting countries were 1 per cent down, while exports to the other developing countries rose by 2½ per cent. The value of shipments to the centrally planned economies, which has moved erratically in recent months, was 9 per cent higher.

Commodity analysis (see tables 5, 6 and 7). The value of exports of manufactured goods in the three months ended November was 1 per cent lower (1 per cent higher) than in the previous three months, with a volume fall of 4 per cent (3 per cent). Within this broad group of commodities, the value of machinery and transport equipment fell by 4 per cent (rose by ½ per cent). Exports of machinery (the group which includes North Sea installations) fell by 4 per cent (rose by 2½ per cent) by value and by 6 per cent (1½ per cent) in volume in the three months to November. Exports of road motor vehicles rose by 3½ per cent in value, and deliveries of other transport equipment fell by 15 per cent. Taken together, the volume of exports of transport equipment was 8 per cent lower. Chemical exports remained unchanged but fell by 1 per cent in volume, while shipments of metals and miscellaneous metal manufactures fell by 6 per cent in value with 10 per cent decline in

Table 3 Export and import unit value and volume index numbers on a balance of payments basis

Indices 1970 = 100

	Unit values (Not seasonally adjusted)			Volume (Seasonally adjusted)	
	Exports	Imports	Terms of trade[1]	Exports	Imports
1975	198.5	246.1	80.7	126.1	126.5
1976	240.6	300.3	80.1	136.6	134.3
1975 1st quarter	184.9	240.9	76.8	129.4	127.9
2nd quarter	193.4	241.5	80.1	123.2	122.0
3rd quarter	202.2	247.5	81.7	121.8	128.4
4th quarter	210.1	260.9	80.5	130.2	127.5
1976 1st quarter	219.0	269.1	81.4	132.2	126.2
2nd quarter	234.2	292.6	80.0	137.8	134.7
3rd quarter	247.4	308.2	80.3	134.9	138.0
4th quarter	261.7	331.0	79.1	141.5	138.2
1977 1st quarter r	274.5	341.4	80.4	141.9	142.4
2nd quarter r	280.9	350.7	80.1	149.9	144.4
3rd quarter r	288.4	353.6	81.5	153.7	141.9
1977 June r	282.8	352.7	80.2	153.2	151.2
July r	283.9	356.5	79.6	153.5	149.1
August r	289.4	352.9	82.0	152.0	131.7
September r	291.8	351.4	83.0	155.7	144.8
October r	293.1	349.5	83.9	150.0	140.4
November p	294.2	345.0	85.3	142.9	133.2
1977 June-August	285.4	354.0	80.6	152.9	144.0
September-November	293.0	348.6	84.1	149.5	139.5
Percentage change	+2½	−1½	+4½	−2	−3

[1] Export unit value index as a percentage of the import unit value index. p Provisional estimates. r Revised estimates.

Table 4 Exports: areas[1] Overseas Trade Statistics basis

Seasonally adjusted values — £ million fob

		Developed countries				Developing countries		
	Total	EEC	Rest of W. Europe	North America	Other	Oil-exporting countries	Other	Centrally planned economies
1976	25 769	9 168	4 272	3 097	1 944	3 147	3 360	726
1976 4th quarter	7 225	2 627	1 246	837	481	912	909	186
1977 1st quarter	7 588	2 770	1 299	893	541	999	890	201
2nd quarter	8 332	3 055	1 453	953	516	1 063	1 013	242
3rd quarter	8 638	3 129	1 473	1 047	541	1 104	1 069	264
1977 September	2 937	1 095	463	392	184	357	332	111
October r	2 843	1 059	499	288	149	368	375	65
November p	2 705	1 002	419	285	175	373	401	73
1977 Jun-Aug	8 587	3 100	1 510	1 002	522	1 111	1 080	229
Sep-Nov	8 484	3 156	1 381	965	507	1 098	1 108	249
Percentage change	−1	+2	−8½	−3½	−3	−1	+2½	+9

[1] See note 2. r Revised estimates. p Provisional estimates.

Table 5 Exports: commodity classes[1] Overseas Trade Statistics basis

Seasonally adjusted values — £ million fob

					Manufactures								
						Machinery and transport equipment[2]							
	Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery[2]	Road motor vehicles	Other transport equipment[3]	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures	Miscellaneous
1976	25 769	1 692	776	1 255	21 338	10 125	7 060	2 226	839	3 045	2 345	934	4 889	709
1976 4th quarter	7 225	472	232	397	5 910	2 734	1 910	601	246	860	653	267	1 396	183
1977 1st quarter	7 588	504	251	480	6 169	2 764	1 951	623	203	899	684	287	1 527	218
2nd quarter	8 332	538	227	542	6 727	3 043	2 071	666	285	953	756	284	1 751	248
3rd quarter	8 638	583	232	595	7 046	3 355	2 359	686	292	1 031	744	296	1 583	242
1977 September	2 937	204	84	204	2 374	1 084	749	239	83	360	256	102	564	101
October r	2 843	201	77	151	2 280	1 053	738	240	82	322	237	93	590	79
November p	2 705	177	75	152	2 247	1 034	744	215	83	320	208	92	565	85
1977 Jun-Aug	8 587	575	225	610	6 966	3 298	2 321	670	293	1 001	746	294	1 589	223
Sep-Nov	8 484	582	236	507	6 901	3 170	2 232	694	248	1 002	701	287	1 719	265
Percentage change	−1	+1	+5	−17	−1	−4	−4	+3½	−15	—	−6	−2½	+8	+19

[1] See note 2. [2] Includes North Sea production installations. [3] Not seasonally adjusted. r Revised estimates. p Provisional estimates.

the volume of deliveries. The value of textile exports fell by 2½ per cent, with volume down by 3½ per cent. The value of exports of other manufactured goods rose by 8 per cent, reflecting trade in precious stones. Exports of non-manufactured goods in total fell by 6 per cent in value in the three months to November. Within this broad category, shipments of food, beverages and tobacco rose by 1 per cent in value. Deliveries of basic materials rose by 5 per cent with volume up by 6 per cent. Fuel exports fell in value by 17 per cent in the three months to November, principally due to lower volumes.

Imports (Overseas Trade Statistics basis)

Commodity analysis (see tables 8, 10 and 11). The recent strength of sterling coupled with the easing in commodity prices has led to falls in import prices in the three months ended November for most of the major commodity

Table 6 Exports: volume indices Overseas Trade Statistics basis

Seasonally adjusted — Indices 1970 = 100

					Manufactures							
						Machinery and transport equipment[1]						
	Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery[1]	Road motor vehicles and other transport equipment	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures
Weights	1 000	64	34	26	844	410	276	134	97	119	49	169
1976	139.4	156	122	108	140	133	135	130	171	108	124	168
1976 4th quarter	144.6	161	131	122	144	134	134	136	180	111	130	176
1977 1st quarter	144.3	165	138	134	144	129	131	126	176	118	132	184
2nd quarter	155.0	164	122	144	154	139	138	137	185	131	129	204
3rd quarter	157.4	177	131	157	158	147	149	140	195	126	128	189
1977 September	158.7	189	141	160	157	141	142	133	203	127	133	193
October	154.2	176	131	129	149	136	141	129	183	116	121	197
November p	146.3	155	128	125	147	132	140	121	181	103	115	192
1977 Jun-Aug	157.4	173	126	160	157	147	149	139	191	129	127	190
Sep-Nov	153.1	174	133	138	151	137	141	128	189	115	123	194
Percentage change	−2½	+½	+6	−13	−4	−7	−6	−8	−1	−10	−3½	+2

[1] Includes North Sea production installations. p Provisional estimates

Table 7 Exports: unit value indices Overseas Trade Statistics basis

Not seasonally adjusted — Indices 1970 = 100

					Manufactures							
						Machinery and transport equipment						
	Total	Food, beverages and tobacco	Basic materials	Fuels	Total	Total	Machinery	Road motor vehicles and other transport equipment	Chemicals	Metals and miscellaneous metal manufactures	Textiles	Other manufactures
1976	240.1	213	240	553	234	245	250	234	238	228	202	221
1976 4th quarter	261.7	229	262	608	256	269	273	260	259	247	222	239
1977 1st quarter	274.4	238	276	643	268	284	288	275	272	255	235	249
2nd quarter	280.7	252	285	666	274	288	288	288	280	258	244	256
3rd quarter	288.3	265	279	679	281	300	300	300	286	251	252	265
1977 September	291.8	266	278	678	285	305	307	301	288	253	249	269
October	293.1	269	271	664	287	306	305	309	288	260	256	270
November p	294.1	266	271	672	289	309	309	310	288	259	258	269
1977 Jun-Aug	285.3	263	280	680	278	294	294	296	283	251	252	262
Sep-Nov	293.0	267	273	672	287	307	307	307	288	257	255	270
Percentage change	+2½	+2	−2½	−1	+3½	+4	+4½	+3½	+2	+2½	+1	+3

p Provisional estimates.

Table 8 Imports: commodity classes[1] Overseas Trade Statistics basis

Seasonally adjusted values — £ million cif

				Industrial materials				Finished manufactures						
									Machinery and transport equipment[2]					
	Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery[2]	Road motor vehicles	Other transport equipment[3]	Other	Miscellaneous
1976	31 155	4 983	5 645	11 262	3 218	1 999	6 045	8 853	6 386	4 637	1 398	351	2 467	411
1976 4th quarter	8 727	1 404	1 510	3 230	927	568	1 735	2 541	1 830	1 293	416	95	711	92
1977 1st quarter	8 959	1 490	1 390	3 376	988	629	1 758	2 666	1 897	1 289	474	124	769	109
2nd quarter	9 576	1 568	1 349	3 496	864	621	2 011	2 948	2 213	1 605	485	162	735	122
3rd quarter	9 110	1 551	1 269	3 317	871	626	1 820	2 851	2 100	1 421	556	120	751	127
1977 September	3 085	487	440	1 113	274	195	644	994	747	517	212	23	247	41
October r	3 017	443	403	1 154	294	208	652	998	743	479	193	49	254	37
November p	2 752	448	344	1 058	262	198	599	893	631	446	166	28	262	29
1977 Jun-Aug	9 435	1 582	1 271	3 382	886	647	1 849	3 080	2 323	1 636	504	182	757	129
Sep-Nov	8 854	1 378	1 186	3 325	829	601	1 895	2 885	2 121	1 442	570	99	764	107
Percentage change	−6	−13	−6½	−1½	−6½	−7	+2½	−6½	−8½	−12	+13	−45	+1	−17

[1] See note 2. [2] Includes North Sea production installations. [3] Not seasonally adjusted. p Provisional estimates. r Revised estimates.

groups. In this period, the value of imports of food, beverages and tobacco fell by 13 per cent compared with the three months June to August, mainly due to lower volume. Fuel imports fell by 6½ per cent in value and 3½ per cent in volume. Between the three month periods, imports of industrial materials in total were down by 1½ per cent in value, entirely due to lower prices; volume was unchanged. Within this group, basic materials and chemical imports both fell, in value terms by 6½ per cent and 7 per cent respectively, and in volume terms by 5 per cent and 4½ per cent respectively. Imports of other semi-manufactures were up by 2½ per cent in value and 3½ per cent in volume, entirely due to higher arrivals of precious stones. Imports of finished manufactures in aggregate, which were sharply lower in November, fell by 6½ per cent in value and 2½ per cent in volume in the three months ended November, but this masked a rise of 1 per cent in value and 2½ per cent in volume in arrivals of finished manufactures, excluding North Sea installations. Within finished manufactures, imports of machinery (the group which includes North Sea installations) fell by 12 per cent in value and 3½ per cent in volume, but machinery imports excluding these installations rose by 2½ per cent in value and 6½ per cent in volume. Despite a lower November figure, the value of road motor vehicle imports rose by 13 per cent; in contrast the value of other transport equipment fell by 45 per cent, the result of a high level of deliveries of aircraft in the June to August period. For these two groups combined import volume was down by 7 per cent. Other finished manufactures rose by 1 per cent in value, with volume unchanged.

Area analysis (see table 9). In the three months ended November the value of imports from the developed countries fell by 6½ per cent compared with the previous three months (excluding North Sea installations the fall would have been 3½ per cent). There was little change in deliveries from the EEC over this period. Arrivals from the rest of western Europe fell by 14 per cent, largely reflecting the delivery of North Sea installations in June. Excluding these installations, imports would have increased by 2½ per cent, reflecting higher arrivals of precious stones. Imports from north America fell by 17 per cent, with high deliveries of aircraft in the earlier period and lower total arrivals in the latest two months, which partly reflects the effects of the United States east coast docks strike.

Table 9 Imports: areas[1] Overseas Trade Statistics basis

Seasonally adjusted values — £ million cif

		Developed countries				Developing countries		
	Total	EEC	Rest of W. Europe	North America	Other	Oil-exporting countries	Other	Centrally planned economies
1976	31 155	11 385	4 577	4 217	2 116	4 207	3 511	1 109
1976 4th quarter	8 727	3 242	1 281	1 191	616	1 134	968	276
1977 1st quarter	8 959	3 343	1 288	1 270	636	1 027	1 123	325
2nd quarter	9 576	3 501	1 648	1 294	713	974	1 060	333
3rd quarter	9 110	3 603	1 183	1 314	638	898	1 110	368
1977 September	3 085	1 204	413	425	206	324	366	128
October r	3 017	1 197	447	386	236	259	335	118
November p	2 752	1 142	425	328	210	212	323	105
1977 Jun-Aug	9 435	3 536	1 494	1 380	672	903	1 093	361
Sep-Nov	8 854	3 543	1 286	1 139	652	795	1 024	351
Percentage change	−6	—	−14	−17	−3	−12	−6½	−3

[1] See note 2. p Provisional estimates. r Revised estimates.

Table 10 Imports: volume indices Overseas Trade Statistics basis

Seasonally adjusted — Indices 1970 = 100

				Industrial materials				Finished manufactures				
									Machinery and transport equipment[1]			
	Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery[1]	Road motor vehicles and other transport equipment	Other
Weights	1 000	227	105	427	151	60	216	229	166	133	33	63
1976	133.5	101	87	127	93	150	145	196	197	186	241	193
1976 4th quarter	137.8	104	85	132	94	157	151	206	210	196	247	197
1977 1st quarter	139.6	107	76	135	97	170	152	213	213	194	283	215
2nd quarter	145.2	107	73	135	84	166	162	226	234	219	320	203
3rd quarter	139.9	101	73	130	85	165	151	224	232	209	320	203
1977 September	143.7	96	75	131	81	152	160	236	248	225	342	204
October r	142.1	87	69	138	87	175	164	237	250	218	338	205
November p	130.4	87	66	126	77	165	148	210	211	202	254	209
1977 Jun-Aug	143.1	103	72	131	86	171	152	234	245	223	334	205
Sep-Nov	138.7	90	70	132	82	164	157	228	236	215	311	206
Percentage change	−3	−13	−3½	—	−5	−4½	+3½	−2½	−3½	−4	−7	—

[1] Includes North Sea production installations. p Provisional estimates. r Revised estimates.

Table 11 Imports: unit value indices Overseas Trade Statistics basis

Not seasonally adjusted — Indices 1970 = 100

				Industrial materials				Finished manufactures				
									Machinery and transport equipment			
	Total	Food, beverages and tobacco	Fuels	Total	Basic materials	Chemicals	Other semi-manufactures	Total	Total	Machinery	Road motor vehicles and other transport equipment	Other
1976	288.6	247	704	239	260	267	217	237	232	227	253	249
1976 4th quarter	318.9	268	768	268	295	296	240	265	258	251	287	284
1977 1st quarter	327.6	280	790	277	310	302	248	264	258	248	297	280
2nd quarter	336.8	297	801	284	313	304	258	269	262	252	302	286
3rd quarter	338.7	311	799	281	314	299	254	270	263	251	311	288
1977 September	336.5	308	799	278	309	299	251	269	262	249	312	288
October r	335.1	308	789	278	307	296	252	268	259	245	315	294
November p	330.6	307	768	274	301	287	250	267	262	246	325	282
1977 Jun-Aug	339.4	309	799	283	316	301	255	271	265	254	308	287
Sep-Nov	334.1	308	785	276	306	294	251	268	261	247	317	288
Percentage change	−1½	−½	−1½	−2½	−3	−2	−1½	−1	−½	−3	+3	+½

p Provisional estimates. r Revised estimates.

Imports from other developed countries fell by 3 per cent. Among the developing countries there was a decline of 12 per cent in arrivals from the oil-exporting countries, and 6½ per cent from the other developing countries. Deliveries from the centrally planned economies fell by 3 per cent.

Invisibles (see table 2)

The latest estimate of invisibles relates to the third quarter of 1977 when credits on services and other transactions were £4,024 million and debits £3,575 million, giving a surplus of £449 million for the quarter. The rate at which the surplus is projected to be running currently has been revised downwards to £145 million a month (see note 14).

Notes

1 Trade figures on a balance of payments basis. The seasonally adjusted import and export figures on a balance of payments basis are obtained by making various adjustments to the seasonally adjusted figures derived from those recorded in the monthly *Overseas Trade Statistics*. These adjustments are summarised in table 13. Some are valuation adjustments; the principal of these is the deduction from the import figure of freight and insurance costs. The other adjustments relate to coverage. Included under this heading are adjustments to bring in items not in the trade statistics (for example on the import side ships built and delivered abroad direct to UK owners) and to remove items which are in the trade statistics (mainly returned goods and goods for processing and repair), where no change of ownership is involved. In addition adjustments are made from time to time to the level of exports to take account of variations in the quality of recording as revealed by the regular monitoring of the accuracy of the export figures (as described in an article in *Trade and Industry*, 15 February 1973). All these adjustments are described in greater detail in the annual *'Pink Book' United Kingdom Balance of Payments 1966-76* (table 2.1 and pp. 14-17) and in an article in the issue of *Trade and Industry* dated 4 November 1970.

Since firm figures for the adjustments do not become available as quickly as the recorded trade statistics, the figures for imports and exports on a balance of payments basis in the latest months are at this stage preliminary estimates and liable to revision.

2 The adjustments described at note 1 are made only for the monthly totals of exports and imports (table 1) and the monthly figures of trade in petroleum and petroleum products (table 12). They are not estimated for the area and other commodity analyses of trade. The values of total trade and the main components of exports and imports in tables 4 to 11 are available only on the overseas trade statistics basis. Whereas comment on total trade and trade in petroleum and petroleum products relates to figures for exports and imports on a balance of payments basis, analyses of the area and other commodity patterns of trade are based on the figures on the overseas trade statistics basis in tables 4 to 11. The main components of trade are seasonally adjusted independently from the totals and in consequence do not always add exactly to the seasonally adjusted totals.

3 Visible balance. The visible balance is the difference between the import and export figures on a balance of payments basis obtained as described in note 1 above. Since, as noted above, the import and export figures for the most recent months are provisional, it follows that the monthly visible balances for these months are also provisional and liable to revision.

The monthly figures for the visible balance are published only on a seasonally adjusted basis. Since the balance is the difference of two large and variable figures, it is itself liable to fluctuation and undue significance should not be attached to a single month's figure; it is more useful to consider the total balance over three or more months.

4 Trends. Even after allowing for seasonal influences, the sequence of monthly figures is usually too variable to give a satisfactory indication of the underlying trend. While it is possible to construct elaborate estimates of trend these cannot be applied to the most recent months, and a simple method of giving some guidance on underlying movements in the most recent past is to take the sum of three months. Apart from occasions when major disturbances distort the flows of trade, the three-monthly total gives a quite good short-term guide and has the merit of simplicity.

Table 12 Trade in petroleum and petroleum products[1]
Balance of payments basis (division 33 of SITC(R))

Seasonally adjusted

	Balance of visible trade	Imports				Rest of division 33	Exports		
		Total	Crude oil				Total	Crude oil[2]	Rest of division 33
	£ million fob	£ million fob	£ million fob	Million tons	Average value ton £ fob	£ million fob	£ million fob	£ million fob	£ million fob
1975	−3 106	3 827	3 069	85.6	35.9	758	721	30	691
1976	−3 960	5 121	4 089	85.6	47.8	1 032	1 161	177	984
1975 1st qtr	−774	948	758	22.2	34.3	190	174	7	167
2nd qtr	−683	841	697	20.7	33.8	144	158	1	157
3rd qtr	−784	976	800	22.4	35.6	176	192	6	186
4th qtr	−865	1 062	814	20.3	40.2	248	197	16	181
1976 1st qtr	−960	1 178	928	21.4	43.4	250	218	18	200
2nd qtr	−957	1 217	955	20.5	46.5	262	260	24	236
3rd qtr	−1 041	1 354	1 079	21.8	49.6	275	313	45	268
4th qtr	−1 002	1 372	1 127	21.9	51.9	245	370	90	280
1977 1st qtr	−816	1 268	1 011	18.8	53.8	257	452	163	289
2nd qtr	−725	1 236	973	17.6	55.2	263	511	239	272
3rd quarter r	−587	1 153	882	16.0	55.1	271	566	300	266
1977 June	−197	403	316	5.7	55.2	87	206	109	97
July	−199	372	284	5.1	55.2	88	173	77	96
August	−183	382	282	5.2	54.8	100	199	112	87
September r	−205	399	316	5.7	55.1	83	194	111	83
October	−231	373	288	5.3	54.6	85	142	61	81
November p	−153	297	200	3.7	53.4	97	144	72	72
1977 Jun-Aug	−578	1 157	882	16.0	55.0	275	579	299	280
Sep-Nov	−589	1 070	804	14.7	54.5	266	481	244	237
Percentage change		−7½	−9	−8	−1	−3½	−17	−18	−16

[1] See note 7. [2] Not seasonally adjusted. p Provisional estimates. r Revised estimates.

Table 13 Derivation of the visible trade figures Balance of payments basis

£ million

	Exports				Imports				
	Recorded	Seasonally adjusted[1]			Recorded	Seasonally adjusted[1]			
	Overseas Trade Statistics basis (fob)	Overseas Trade Statistics basis (fob)	Valuation and coverage adjustments	Balance of payments basis (fob)	Overseas Trade Statistics basis (cif)	Overseas Trade Statistics basis (cif)	Adjustments to BOP basis: Valuation adjustments	Adjustments to BOP basis: Coverage adjustments	Balance of payments basis (fob)
1975	19 922	19 922	−461	19 461	24 128	24 128	−1 490	+26	22 664
1976	25 769	25 769	−353	25 416	31 155	31 155	−1 881	−287	28 987
1975 1st quarter	4 593	4 748	−84	4 664	5 883	5 950	−354	+12	5 608
2nd quarter	4 942	4 722	−90	4 632	5 832	5 573	−353	+69	5 289
3rd quarter	4 796	4 962	−134	4 828	5 998	6 190	−389	+1	5 802
4th quarter	5 591	5 490	−153	5 337	6 415	6 415	−394	−56	5 965
1976 1st quarter	5 816	5 738	−96	5 642	6 808	6 669	−407	−82	6 180
2nd quarter	6 391	6 308	−66	6 242	7 762	7 664	−468	−47	7 149
3rd quarter	6 258	6 498	−69	6 429	7 790	8 095	−501	−21	7 573
4th quarter	7 304	7 225	−122	7 103	8 795	8 727	−505	−137	8 085
1977 1st quarter r	7 701	7 588	−116	7 472	9 094	8 959	−534	−23	8 402
2nd quarter r	8 387	8 332	−261	8 071	9 672	9 576	−551	−256	8 769
3rd quarter r	8 398	8 638	−199	8 439	8 818	9 110	−530	−91	8 489
1977 June r	2 845	2 886	−99	2 787	3 416	3 410	−189	−136	3 085
July r	2 865	2 922	−183	2 739	3 076	3 183	−183	−20	2 980
August r	2 656	2 779	+22	2 801	2 723	2 842	−171	−10	2 661
September r	2 878	2 937	−38	2 899	3 019	3 085	−176	−61	2 848
October r	2 818	2 843	−66	2 777	3 012	3 017	−174	−112	2 731
November p	2 878	2 705	−48	2 657	2 908	2 752	−161	−7	2 584
1977 Jun-Aug	8 366	8 587	−260	8 327	9 215	9 435	−543	−166	8 726
Sep-Nov	8 574	8 484	−151	8 333	8 939	8 854	−511	−180	8 163
Percentage change	+2½	−1		−-	−3	−6			−6½

[1] Components and totals are rounded independently. p Provisional estimates. r Revised estimates.

6 Timing. The figures for exports relate to documents received in the Statistical Office of HM Customs and Excise up to a few days before the end of the calendar month. On average export documents arrive at Customs Statistical Office within a fortnight of the shipment of goods, so that the documents relate to goods passing through the ports in the month ending about the middle of the calendar month to which they are attributed. The figures for imports relate to documents received at the Customs Statistical Office up to the third working day after the end of the month. Importers are usually required to present their documents before they can obtain customs clearance and remove the goods. Thus the import statistics correspond closely to movements through the ports during the calendar month to which they are attributed.

6 Invisibles (services and other current transactions) covers the following items. Government services and transfer payments; all other services including sea and air transport, travel and insurance, banking and other financial transactions; overseas income in the form of interest, profits and dividends; and private transfers. The monthly figures are inevitably less precise than those for visible trade for several reasons; the data are not available on a monthly basis (some are reported quarterly, others less frequently) and the figures are, therefore, essentially projections based on past trends; revisions, affecting particularly gross credits and debits, but often the balance as well, are more frequent; and the gross figures themselves include a number of items which are appropriately recorded as the net profit or surplus arising on the transactions.

7 Trade in petroleum and petroleum products. Trade in petroleum and petroleum products (table 12) accounts for almost all the trade in fuels, section 3 of SITC(R) which is included in tables 5 and 8. Import and export figures are shown for crude oil and for the rest of the division which includes petroleum partly refined for further refining and petroleum products (eg motor spirit, lamp oil and white spirit, distillate fuels, residual fuel oils, lubricating oils and greases, etc).

The figures of value and tonnage of crude oil imports in table 12 are based on reports to HM Customs and Excise and have been seasonally adjusted with the same seasonal and length of month factors as have been used for the fuels total in table 8. These figures cannot be directly compared with the monthly import tonnages originating from the Department of Energy which are published in the *Monthly Digest of Statistics* and the *Digest of Energy Statistics*, as the latter are based on reports received directly from the oil industry and are unadjusted. Over longer periods the differences between the two sources are largely resolved.

For imports, the average value of crude oil per ton has been obtained by dividing the value of crude oil imports by the tonnage and will reflect not only changes in price but also changes in the commodity mix of imports due for example, to differing qualities of crude oil.

The figures of the value of crude oil exports are now given without seasonal adjustment. In previous months they were presented on a seasonally adjusted basis, using the same seasonal and length of month factors as have been used for the fuels total. Further consideration has shown however that these factors may not be wholly appropriate. The export figures include oil which has been re-exported.

8 Unit value and volume indices. A brief description of the way in which the index numbers on a balance of payments basis are calculated was published in the article giving unit value and volume index numbers for March 1971 in *Trade and Industry* of 26 May 1971. An article was published in *Trade and Industry* on 11 October 1973 introducing the series of import and export unit value and volume indices with 1970 = 100. The purpose of the index numbers is to measure the changes in price and volume of our imports and exports. Index numbers can be constructed in various ways, and the series used here are of the fixed-base type. Thus, the unit value indices measure changes in 'price' of a fixed selection of trade headings (although in practice it is not specific prices which are measured but the average price of all the varying transactions taking place each month in the selected headings, reflecting different kinds of goods covered by each heading and different markets or sources of supply).

Correspondingly, the volume indices measure, for the same selection of trade headings, what the change in the value of trade would be assuming no changes in the prices charged from those in the base year. Because the indices are base-weighted, they do not take account of the changes in the pattern of trade since the base year, and consequently their product does not precisely account for the change in the value of trade expressed as an index. In practice, though, since the composition of trade changes little between consecutive months, the product of the changes in the indices will often approximate to the change in the value of trade between one month and the next. A full methodological article about the 1970-based series of indices was published in the April 1975 issue of *Economic Trends*. Adjustments have been made to the import volume index to include North Sea oil production installations, however no changes have been made to the base-weighted unit value index.

9 Definition of areas. The areas used in tables 4 and 9 comprise the following countries:

EEC: West Germany, Netherlands, Belgium, Luxembourg, France, Italy, Denmark and Irish Republic.

Rest of western Europe: Finland, Sweden, Norway, Iceland, Switzerland, Liechtenstein, Portugal, Austria, Andorra, Vatican City, Greece, Turkey, Yugoslavia, Spain, Faroe Islands, Gibraltar, Malta, Continental Shelf (foreign part).

North America: USA, Canada, Puerto Rico, Greenland, St Pierre and Miquelon.

Other developed countries: Australia, New Zealand, Japan and South Africa.

Centrally planned economies: Soviet Union, Poland, East Germany, Hungary, Czechoslovakia, Albania, Bulgaria, Romania, China, North Korea, Outer Mongolia and Vietnam.

Oil-exporting countries: Abu Dhabi, Algeria, Bahrain, Brunei, Dubai, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Sharjah etc, Trinidad and Tobago and Venezuela.

Other developing countries: All other countries.

10 Seasonally adjusted import figures for December and January. Because of difficulties of allowing fully in the seasonal adjustment procedure for the effects of the 1976/77 Christmas/new year holiday period, the seasonally adjusted imports figures for December are probably understated and those for January correspondingly overstated. Exports are probably little affected.

11 Treatment of oil platforms in July exports figures. The July exports figures on an overseas trade statistics basis include two oil platforms, valued at around £150 million, which have been moved to Norway for completion, and which should be returning to the UK continental shelf next year. For a number of reasons, principally that no effective change of ownership has taken place, they have been excluded from the July figures on a balance of payments basis. When the platforms return to the UK only the additional value added to them will be included in the balance of payments figures; the £150 million will be netted out.

12 The green pound. As mentioned in the article on the August figures, as a result of a change in the method of payment of monetary compensatory amounts (mca's) imports from other EEC countries are valued before deduction of the mca prior to May 1976, and after deduction from that date.

13 Treatment of North Sea transactions. The figures of exports for July, August and September include a positive balance of payments adjustment to allow for the reimbursement by Norway of a proportion of the expenditure on development of the Frigg North Sea gas field. For national accounts and balance of payments purposes the adjustment is being treated as a sale of fixed assets to Norway. The amount of the adjustment to the third quarter figures is estimated to be £55 million. To minimise the distortion to the trade figures it is being spread over all three months of the quarter.

14 Revisions. Figures on a balance of payments basis have been revised since the article on the October figures. The export figures for 1977 have been increased by some £11 million a month because of an increase, from 0.3 per cent to 0.7 per cent of total exports, in the allowance made for net under-recording which had been re-introduced earlier this year for 1976. The need for the increase was revealed by the regular monitoring of the figures, and the adjustment will be continued at the new rate, as appropriate. The import figure for the third quarter of 1977 has been revised upwards in the light of more up-to-date information on the balance of payments adjustments.

There have also been revisions to the estimates of the surplus on invisibles. For 1975 and 1976, the estimates have been increased by £54 million and £178 million respectively, and for 1977 they have been revised downwards in the first and second quarters by £87 million and £74 million, respectively; the estimate for the third quarter is £76 million lower than the previous projection, which was based on estimates of the surplus in the first half of the year before the latest revisions became available. All these revisions were incorporated in the Central Statistical Office's press notice on the balance of payments accounts for the third quarter of 1977 published on Wednesday, 7 December.

Overseas Trade Statistics

Detailed particulars of United Kingdom imports and exports for November with cumulative totals will be published on 29 December [1] and further analysis of the figures will be found in tables 14.1 to 14.19 in the *Monthly Digest* for December [2], due to be published in the second week of January.

Inquiries

01-215 3131 (value data) 01-215 3466 (indices).

[1] *Overseas Trade Statistics of the United Kingdom*, published by HMSO, price £6.50 (annual subscription £93.60).

[2] *Monthly Digest of Statistics*, published by HMSO price £1.95 (annual subscription including Supplement of Definitions and postage £27.86).

Index of industrial production for October

The provisional estimate for the total all-industries' index of industrial production in October 1977 is 101.4 and that for manufacturing alone is 102.4 (1970 = 100). These latest provisional figures continue to suggest that the underlying level of industrial output has changed little in recent months.

Before any adjustment, the provisional estimates show that the average levels of the all-industries' index and the corresponding index for manufacturing industries in the period August to October 1977 were unchanged from their levels in the preceding three months. The analysis by broad market sector shows that, over the same period, the output of the consumer goods industries rose by 1 per cent, the output of investment goods industries was unchanged and the output of intermediate goods industries fell by about 1½ per cent.

On a longer-term comparison, the all-industries' index in the period August to October was unchanged from the level in the same period a year ago; the corresponding change for manufacturing industries was a fall of about 1 per cent.

The use for some industries of series which measure deliveries rather than production can result in the index numbers overstating or understating the level of output. A broad assessment of the adjustment to be applied to the all-industries' index is as follows:

1976	1st qtr	+0.1	1977	1st qtr	—
	2nd	−0.7		2nd	+0.4
	3rd	−0.6		3rd	−0.6
	4th	+0.3			(prov)

The index numbers are all seasonally adjusted. The seasonal adjustment process is designed to remove annually recurring month to month variations due, for example, to the incidence of holidays and other regular seasonal patterns of behaviour. The adjustments, however, can in general only be derived from analysis of past experience and may not be completely appropriate when holiday patterns change sharply. Changes in recent years in the amount and incidence of industrial holidays taken between Christmas and new year's day and around the spring bank holiday may not be fully reflected in the seasonally adjusted estimates.

About two-thirds of the index of production is derived by the revaluation to the prices of 1970 of data expressed at current prices. When the rate of change of prices is relatively large, or itself changes rapidly, the problems associated with this revaluation become more acute. For this reason the estimates for periods shown in this article should be regarded as subject to wider margins of error than those for earlier years.

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Trade and Industry index

The index for volume 28 of *Trade and Industry*, covering the months July to September 1977, is published as a loose insert with this week's issue.

Index of industrial production

Seasonally adjusted

1970 = 100

	Total all industries	All industries other than construction	Mining and quarrying	Manufacturing industries												
				Total	Food, drink and tobacco					Engineering and allied industries						
					Total	Food	Drink and tobacco	Coal and petroleum products	Chemicals and allied industries	Total	Mechanical engineering	Instrument engineering	Electrical engineering	Shipbuilding and marine engineering	Total vehicles	Metal goods n.e.s.
Weights	1 000	850	37	745	84	52	32	7	58	319	100	15	67	16	73	48
1971	100.3	99.8	100.0	99.4	100.7	99.9	101.9	103.3	102.1	98.7	97.4	103.3	101.6	98.7	100.2	93.3
1972	102.5	102.1	84.1	102.0	105.0	104.0	106.5	102.5	108.1	99.2	93.6	101.9	106.6	89.5	104.0	95.4
1973	109.9	110.5	92.6	110.5	109.3	106.3	114.2	110.0	120.7	107.2	101.8	110.1	121.3	90.6	107.6	102.9
1974	106.9	108.5	78.8	108.9	109.9	104.5	118.8	106.0	126.9	108.3	106.2	117.8	122.6	92.4	103.0	103.6
1975	101.6	103.2	86.0	102.3	108.7	101.1	121.1	92.0	116.0	103.4	104.2	118.5	113.4	97.7	96.7	95.0
1976	102.2	104.6	89.2	103.5	110.9	103.7	122.7	96.3	127.8	99.7	96.9	113.1	110.8	92.0	96.8	93.0
1976																
2nd qtr	102.5	104.7	89.1	103.5	112.5	104.9	124.9	96.9	126.8	99.9	98.1	114.4	110.1	92.8	96.7	92.5
3rd	101.8	104.5	87.2	103.8	112.5	104.7	125.4	96.5	129.0	99.5	95.7	110.9	112.1	90.1	97.0	93.5
4th	103.2	106.1	94.0	104.9	111.5	104.1	123.7	97.9	132.0	100.4	95.0	117.6	113.8	91.4	97.6	95.1
1977																
1st qtr	103.6	107.6	103.1	105.7	112.0	107.3	119.8	96.0	133.5	101.5	98.4	11 1	115.6	79.9	97.8	97.4
2nd	102.2	105.7	104.5	103.1	110.1	104.8	118.9	94.4	132.8	100.1	94.5	11[illegible].6	110.6	89.7	99.9	95.1
3rd	102.7	106.1	105.5	103.8	109.8	104.5	118.6	92.8	131.9	100.2	94.2	118.5	114.4	82.2	98.0	96.6
1976																
Oct	102.8	105.6	92	104.9	112	104	125	100	129	101	94	117	113	87	100	96
Nov	103.4	106.3	94	105.1	111	106	121	98	135	101	95	118	114	96	98	93
Dec	103.5	106.5	96	104.6	111	102	125	96	132	100	95	118	114	92	95	95
1977																
Jan	103.7	107.7	101	105.6	111	107	118	91	129	102	99	114	116	77	100	97
Feb	103.5	107.4	103	105.7	112	108	118	101	136	101	99	114	116	81	94	98
Mar	103.6	107.6	105	105.9	113	106	124	96	136	102	98	114	115	82	100	97
Apr	102.5	106.1	103	103.7	112	108	120	94	133	101	95	118	111	88	102	96
May	103.7	107.5	105	105.3	110	105	119	92	135	102	95	119	110	92	104	99
Jun	100.2	103.4	105	100.3	108	102	118	96	131	98	94	119	111	89	93	91
Jul	102.8	106.2	104	104.3	111	105	122	94	130	101	94	118	114	75	101	98
Aug	102.7	106.1	106	103.5	108	103	115	92	135	100	94	119	114	88	96	96
Sep	102.7	106.1	106	103.7	110	105	118	92	131	100	94	118	115	83	97	96
Oct p	101.4	104.3	105	102.4	108	101	119	88	126	100	94	118	116	79	98	96
% change latest 3 months on previous 3 months	0.0	−0.2	+0.8	−0.1	−1.0	−0.5	−1.6	−3.8	−1.3	+0.1	0.0	−0.3	+3.3	−2.4	−2.5	+0.2
on a year earlier	+0.2	+0.6	+18.4	−0.9	−3.1	−1.3	−5.6	−7.3	+0.5	+0.6	−1.2	+4.8	+2.3	−6.7	+1.8	+0.9

	Manufacturing industries (continued)													Construction	Gas, electricity and water
	Metal manufacture			Textiles, leather and clothing				Bricks, pottery, glass, etc							
	Total	Ferrous	Non-ferrous	Total	Textiles	Leather leather goods and fur	Clothing and footwear	Total	Bricks, cement, etc	Pottery and glass	Timber, furniture, etc	Paper, printing and publishing	Other manufacturing industries		
Weights	57	43	14	76	49	3	24	27	17	10	22	64	31	146	72
1971	91.3	89.8	95.8	102.2	100.6	103.0	105.4	108.4	107.0	110.5	103.0	97.3	99.8	103.1	104.0
1972	91.4	89.4	97.3	104.5	102.9	104.5	107.8	115.9	115.1	117.2	113.5	102.7	104.3	104.9	111.6
1973	100.0	97.3	108.5	110.1	108.6	101.1	114.6	126.8	123.7	131.7	132.6	112.1	116.7	107.0	118.3
1974	91.7	87.7	104.2	103.1	99.2	94.9	112.2	117.1	108.3	130.9	112.1	108.9	114.5	97.9	118.9
1975	78.6	74.2	92.3	99.5	93.8	92.9	112.2	107.9	99.7	120.8	110.2	95.6	105.5	92.6	120.8
1976	85.3	82.0	95.5	101.6	97.4	95.6	111.3	111.1	101.8	125.6	111.7	97.9	114.7	88.8	123.5
1976															
2nd qtr	87.8	85.2	95.9	99.7	95.2	93.8	109.8	110.8	101.8	125.0	110.3	93.0	113.0	90.0	124.3
3rd	86.4	83.4	95.9	101.7	97.5	94.7	111.4	112.6	102.5	128.3	111.9	98.3	114.0	86.2	119.8
4th	85.2	81.6	96.5	103.6	99.3	95.9	113.4	110.5	99.0	128.4	113.3	100.1	121.3	86.6	124.9
1977															
1st qtr	84.2	79.7	98.2	105.1	99.3	97.2	118.2	109.1	96.7	128.5	109.6	102.7	123.2	80.6	128.7
2nd	80.8	77.2	91.8	99.2	91.8	87.1	116.1	106.7	93.7	127.1	98.7	101.0	117.0	82.1	132.0
3rd	83.7	81.4	90.8	102.8	93.7	92.8	122.7	108.4	94.4	130.4	102.0	101.1	116.8	83.2	130.0
1976															
Oct	87	82	101	104	99	96	113	109	99	124	117	101	120		119
Nov	85	83	92	103	99	96	111	112	99	131	112	99	123		125
Dec	84	80	97	104	99	96	116	111	99	130	111	100	120		131
1977															
Jan	87	83	100	105	100	97	115	109	95	130	111	102	122		133
Feb	84	79	97	106	100	97	121	107	97	124	110	103	125		127
Mar	82	77	97	105	98	97	119	111	98	132	108	103	123		126
Apr	78	72	97	101	93	87	117	106	93	126	102	101	117		131
May	90	90	89	101	93	87	117	110	96	133	102	102	122		131
Jun	75	70	89	96	88	87	114	104	92	122	92	100	112		134
Jul	87	85	92	104	96	93	123	107	92	130	102	100	117		126
Aug	79	76	88	101	92	93	122	108	95	129	104	103	119		133
Sep	85	83	93	103	94	93	124	110	96	132	100	100	115		130
Oct p	77	72	93	102	92	91	125	107	93	129	105	101	116		122
% change latest 3 months on previous 3 months	−4.1	−6.0	+1.3	+1.7	−0.2	+3.6	+4.5	+1.1	+1.3	+1.0	+4.3	+0.8	−0.3		−1.2
On a year earlier	−7.0	−7.4	−5.9	−0.7	−6.1	−3.1	+9.4	−2.8	−6.9	+2.4	−9.8	+2.4	−1.0		+7.4

p Provisional.

Index of industrial production for Scotland: second quarter 1977

The seasonally adjusted index of industrial production for Scotland for the second quarter of 1977 is provisionally estimated at 106.2 (1970 = 100). The level of production was rather lower than in the first quarter. Taking the first half of the year as a whole, the level of output was very similar to that recorded in both the first and second halves of 1976.

The attached tables present for the first time indices of production on a seasonally adjusted basis. This now makes possible more meaningful comparisons of indices between quarters within the year, and so permits more detailed consideration of the trends during recent quarters.

The profile of growth in the Scottish index is paralleled to a considerable extent in the UK index for industrial production. In the UK output also fell back in the second quarter of this year to a level rather below that of a year earlier.

In making comparisons with the seasonally adjusted UK index, it should be noted that output from the oil and gas extraction industry (predominantly from the continental

Table 1 Index of industrial production for Scotland: quarterly results

Industrial analysis seasonally adjusted (1970 = 100)

			Manufacturing industries															
							Engineering and allied industries											
1968 SIC	Total all industries	Mining and quarrying	Total all manufacturing industries	Food, drink and tobacco	Chemicals coal and petroleum products	Metal manufacture	Total	Mechanical and instrument engineering	Electrical engineering	Vehicles (incl. ships and aircraft)	Metal goods n.e.s.	Textiles, leather and clothing	Bricks, pottery, glass, cement etc	Timber, furniture etc	Paper, printing and publishing	Other manufacturing industries	Construction	Gas, electricity and water
Weight per 1 000	1 000	30	729	170	55	53	270	128	50	65	27	67	24	19	54	17	170	71
1970	100.0	100	100.0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1971	98.9	107	98.4	105	110	88	93	86	103	98	100	103	95	100	94	104	100	100
1972	100.8	95	99.5	109	122	85	90	77	111	90	111	107	102	108	94	108	104	110
1973	109.5	106	108.4	114	124	96	100	89	142	92	104	117	101	135	101	136	108	126
1974	108.0	98	109.2	119	134	90	105	89	167	90	107	106	100	122	91	117	98	123
1975	106 0	110	104.9	118	114	75	107	95	150	95	112	100	97	110	79	107	103	123
1976	106.9	107	106.9	118	139	73	105	97	162	78	102	107	97	111	83	108	97	130
1973																		
1st qtr	109.9	109	107.0	112	116	97	100	84	142	98	102	120	97	129	100	128	116	127
2nd	109.2	107	107.7	116	122	98	97	87	130	90	101	118	100	131	102	138	109	127
3rd	110.3	115	109.7	115	129	100	101	88	148	90	105	113	104	140	101	142	106	125
4th	108.7	94	109.1	115	128	91	101	86	149	91	108	116	102	139	103	137	103	124
1974																		
1st qtr	106.9	71	107.8	119	136	84	103	84	168	90	101	105	95	126	90	121	98	120
2nd	109.6	103	112.0	118	139	95	109	90	172	97	108	112	101	129	96	116	97	119
3rd	109.0	111	109.8	121	136	89	106	90	172	83	109	106	104	122	92	118	98	126
4th	107.4	106	107.4	118	126	92	105	93	157	86	110	102	100	114	87	116	99	127
1975																		
1st qtr	107.7	113	107.1	119	113	88	108	96	152	97	111	100	100	115	83	113	102	125
2nd	105.4	108	103.7	116	113	75	105	91	154	96	106	101	97	109	79	108	104	125
3rd	106.3	101	105.3	118	111	70	111	101	149	101	114	100	94	104	78	104	103	125
4th	104.6	115	103.4	118	121	65	103	91	147	87	117	101	97	112	78	104	102	119
1976																		
1st qtr	106.3	113	105.2	116	131	72	105	98	157	72	113	103	99	114	83	107	100	131
2nd	107.0	109	106.8	119	143	73	104	99	157	72	106	105	96	110	81	108	98	129
3rd	105.9	100	106.5	118	140	72	104	95	158	81	98	109	96	111	82	107	95	128
4th	108.4	104	109.1	120	143	74	108	95	175	87	92	112	95	108	85	110	96	131
1977																		
1st qtr	107.1	105	108.0	118	136	76	106	95	161	89	97	116	94	105	84	116	90	139
2nd	106.2	99	107.1	117	143	74	106	91	168	90	97	108	92	105	84	108	91	138
% change 1977 Q2 on																		
1977 Q1	−0.8	−6	−0.8	−1	+5	−3	0	−4	+4	+1	0	−7	−2	0	0	−7	+1	−1
1977 Q2 on 1976 Q2	−0.7	−9	+0.3	−2	0	+1	+2	−8	+7	+25	−8	+3	−4	−5	+4	0	−7	+7

Index of industrial production for the UK: quarterly results

Industrial analysis seasonally adjusted (1970 = 100)

Weight per 1 000	1 000	37	745	84	65	57	319	115	67	89	48	76	27	22	64	31	146	72
1970	100.0	100	100.0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1971	100.3	100	99.4	101	102	91	99	98	102	100	93	102	108	103	97	101	103	104
1972	102.5	84	102.0	105	108	91	99	95	107	101	95	104	115	114	103	107	105	112
1973	109.9	93	110.5	109	120	100	107	103	121	105	103	110	126	133	112	119	107	118
1974	106.9	79	108.8	110	125	92	108	108	123	101	104	103	117	112	109	112	98	119
1975	101.6	86	102.3	109	113	79	103	106	113	97	95	100	108	110	96	102	93	121
1976	102.2	89	103.4	111	124	85	100	99	111	96	93	102	111	112	98	106	89	124
1976																		
2nd qtr	102.5	89	103.5	112	123	88	100	100	110	96	92	100	111	110	98	105	90	124
3rd	101.8	87	103.9	112	125	86	100	97	112	96	94	102	114	112	98	107	86	120
4th	103.2	94	101.8	112	123	85	100	98	114	96	95	104	111	113	100	109	87	125
1977																		
1st qtr	103.5	103	105.6	112	129	84	101	100	115	95	97	105	109	110	103	109	81	129
2nd	102.2	104	103.2	110	128	81	100	97	113	98	95	98	106	97	101	104	82	132
% change 1977 Q2 on																		
1977 Q1	−1.3	+1	−2.4	−2	−1	−4	−1	−3	−2	+3	−2	−7	−3	−12	−2	−5	+1	+2
1977 Q2 on 1976 Q2	−0.3	+17	−0.4	−2	+4	−8	0	−3	+3	+2	+3	−2	−5	−12	+3	−1	−9	+6

shelf region) raised the UK mining and quarrying index in the second quarter of 1977 by 28 index points and the UK total all-industries index by 1 index point above the levels which they would otherwise have attained. The comparable second quarter effect on the Scottish indices for mining and quarrying and total all-industries (through an indicator of offshore employment income) was to raise them by 19 index points and ½ of an index point respectively.

Analysis by industry

During the year to the second quarter, manufacturing output in Scotland held up comparatively well, while output in construction and in mining and quarrying was some 6 per cent lower. Output of gas, electricity and water was considerably higher; this is partly explained by the relatively cold weather of the second quarter of this year.

Between the first and second quarters of 1977, output in mining and quarrying fell back, largely reflecting a drop in coal production, whereas there was a small rise in construction output. Levels of output in most of the order groupings within manufacturing industries in the second quarter of 1977 showed little overall change from the levels of the first quarter of 1977. Increases in the production of the chemicals, coal and petroleum products grouping (up by 5 per cent) and the electrical engineering grouping (up by 4 per cent) were more than offset by falls in the output of metal manufacturing industries (down by 3 per cent), the mechanical and instrument engineering grouping (down by 4 per cent), textiles, leather and clothing grouping (down by 7 per cent), and the other manufacturing industries grouping (down by 7 per cent). Much of the improvement in the production of the chemicals, coal and petroleum industries was the result of increased output by the dyestuffs and pigments industry (MLH 277), the fertilisers industry (MLH 278) and the other chemical industries group (MLH 279).

Market sector analysis

The market sector analysis of Scotland's industrial production shows that, after seasonal adjustment, output in the investment goods sector remained level between the first and second quarters of 1977; slight falls were recorded in the output of the consumer goods sector and the intermediate goods sector (both down by almost 1½ per cent).

Seasonally adjusted indices for the consumer non-durables group show that production levels have been relatively high throughout the four quarters of 1976 and the first half of 1977. Although the food, drink and tobacco grouping, accounting for almost three-quarters of the weight of the non-durables sector, has been the main contributor to this comparatively strong performance, the clothing and footwear grouping has also maintained a relatively high level of output over this period.

Notes

The index of industrial production for Scotland (based on 1970 = 100) was first published in the *Scottish Economic Bulletin* no. 10 in July 1976. In the accompanying article, a number of subsequent developments was foreshadowed. Earlier this year, the index was linked back to indices for the pre-1970 period and the introduction of seasonally adjusted indices in this article represents a further stage in that programme. Prior to rebasing the index to 1975 (probably in early 1979), it will be necessary to reconsider some of the links adopted for 1972 and 1973 in the light of the 1973 annual census of production, and it is also hoped to take steps to improve the coverage in certain industries.

The commentary refers to the seasonally adjusted index. Seasonal adjustment removes fluctuations from quarter to quarter within a year resulting from holidays, general weather conditions, and other seasonal influences on industrial activity. For the current and subsequent years it will be necessary to amend the seasonally adjusted index numbers when the fourth quarter information becomes available to allow the seasonally adjusted average for the year to be set equal to the unadjusted index series. The UK index uses monthly seasonal adjustments while the Scottish index uses quarterly seasonal adjustment which may affect the comparisons between them.

Over half of the index of production is derived from sales and production values which are revalued to 1970 prices. When the rate of change over a period is large or is changing rapidly the problems associated with this revaluation become more serious. For this reason the estimates for periods since about the end of 1973 should be regarded as subject to wider margins of error than in earlier years.

Where the Scottish indices of production for the engineering and allied industries are derived from the BSO quarterly production inquiry returns, these have been deflated by revised price indices which incorporate an allowance for differing behaviour of import and export prices. They also take account of both the lag between order and delivery and the extent to which differing pricing methods are used by firms in the engineering industries. Further details of corresponding revisions, which were incorporated into the UK index of production in the previous quarter, are given in *Economic Trends*, May 1977, published by HMSO.

The construction indices published in this article have been substantially revised to take account of changes in the component series for 'other new work' which is supplied by the Department of the Environment. This has led to revision of the total all-industries index as previously published.

The results for the latest quarter should be treated with caution as they are liable to revision as later and fuller information becomes available.

Inquiries: 031-556 8400 ext. 4081.

Table 2 Index of industrial production: market sector analysis

Seasonally adjusted (1970 = 100)

	Scotland						United Kingdom					
	All industries other than construction	Consumer goods			Investment goods	Intermediate goods	All industries other than construction	Consumer goods			Investment goods	Intermediate goods
1968 SIC		Total	Durable	Non-durable				Total	Durable	Non-durable		
Weights[1]	830	271	42	229	220	339	850	250	61	189	238	362
1970	100.0	100.0	100	100	100.0	100.0	100.0	100.0	100	100	100.0	100.0
1971	98.8	105.6	110	105	90.1	98.9	99.8	102.5	106	101	97.9	99.2
1972	100.3	109.8	115	109	83.1	103.8	102.1	109.7	120	106	95.4	101.1
1973	109.8	118.2	119	118	96.0	112.0	110.4	118.6	131	114	103.5	109.4
1974	110.0	118.3	119	118	101.1	109.2	108.4	116.4	124	114	106.0	104.6
1975	106.6	114.4	103	116	105.0	101.6	103.2	110.5	114	109	103.3	98.1
1976	108.8	115.7	96	119	105.2	105.7	104.5	112.3	113	112	99.1	102.8
1973												
1st qtr	108.8	117.4	125	116	95.7	110.4	109.7	116.6	130	112	102.7	109.7
2nd	109.2	118.5	119	118	93.1	112.3	110.1	118.4	131	114	101.6	110.0
3rd	111.1	117.5	114	118	98.6	114.2	111.4	119.9	133	116	104.9	109.7
4th	109.9	119.6	120	119	96.4	110.9	110.6	119.4	131	116	104.9	108.2
1974												
1st qtr	107.5	118.3	122	118	97.8	105.3	104.4	115.6	120	114	101.7	98.5
2nd	112.2	119.6	127	118	103.8	111.8	110.6	118.5	128	116	106.7	107.6
3rd	111.3	119.5	118	120	101.2	111.2	111.1	117.2	125	115	108.4	108.6
4th	109.1	115.9	110	117	101.5	108.6	107.7	114.3	124	111	107.1	103.5
1975												
1st qtr	108.9	117.5	115	118	104.6	104.8	106.9	114.7	123	112	106.9	101.4
2nd	105.7	113.3	103	115	103.7	100.9	102.4	109.2	112	108	103.9	96.8
3rd	106.9	115.4	112	116	108.0	99.4	101.2	109.0	112	108	101.5	95.7
4th	105.1	111.6	83	117	103.5	101.1	102.3	109.0	108	109	101.0	98.5
1976												
1st qtr	107.6	112.5	86	117	105.0	105.5	102.9	109.0	110	109	99.2	101.2
2nd	108.8	115.2	90	120	104.6	106.3	104.7	111.5	110	112	99.7	103.3
3rd	108.1	116.6	101	119	103.0	104.8	104.5	113.5	114	113	98.6	102.2
4th	110.8	118.6	105	121	108.3	106.2	106.1	115.3	117	115	99.0	104.4
1977												
1st qtr	110.5	118.5	104	121	105.2	107.7	107.4	115.8	116	126	100.4	106.3
2nd	109.4	116.9	100	120	105.3	106.2	105.6	112.3	110	113	99.9	104.9
% change												
1977 Q2 on 1977 Q1	−1.0	−1.4	−4	−1	+0.1	−1.4	−1.7	−3.0	−5	−3	−0.5	−1.3
1977 Q2 on 1976 Q2	+0.6	+1.5	+11	0	+0.7	−0.1	+0.9	+0.7	0	+1	+0.2	+1.5

[1] The total of weights for all index of production industries is 1 000.

Made-up clothing: orders and deliveries in September

In the three months ended September 1977, deliveries by the clothing industry were provisionally estimated to have been 9 per cent higher than in the preceding three months while net new orders were 22 per cent higher. Orders-on-hand at the end of September 1977 were 7 per cent higher than the end-June 1977 level. (These comparisons are based on the seasonally adjusted series in the accompanying tables).

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent years.

Inquiries: 01-212 0116.

Made-up clothing

Index numbers of total orders and deliveries

	Orders-on-hand (end period)		Net new orders		Deliveries	
	December 1969 = 100		Average 1970 Deliveries = 100		Average 1970 Deliveries = 100	
1968	107		100		97	
1969	100		97		97	
1970	103		102		100	
1971	119		108		104	
1972	125		110		109	
1973	155		123		117	
1974	145		115		114	
1975	142		118		115	
1976	135		118		114	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1975						
1st qtr	135	139	116	124	116	121
2nd	165	151	133	119	114	112
3rd	129	141	97	114	114	115
4th	142	149	128	117	116	112
1976						
1st qtr	126	130	109	113	113	114
2nd	148	135	126	116	106	109
3rd	134	147	108	128	120	122
4th	135	142	129	117	118	113
1977						
1st qtr	145	150	127	131	122	124
2nd p	154	140	123	116	115	120
3rd p	137	150	119	142	128	130
1976						
Jan	129	128	94	111	102	123
Feb	128	130	115	117	116	113
Mar	126	130	117	111	119	107
Apr	132	131	128	117	105	104
May	150	134	149	122	111	118
Jun	148	135	101	109	103	105
Jul	147	148	102	137	117	122
Aug	136	143	88	114	108	122
Sep	134	147	135	134	136	123
Oct	132	137	151	116	133	113
Nov	138	134	141	112	123	112
Dec	135	142	94	122	99	113
1977						
Jan	143	142	113	133	108	130
Feb	139	141	127	129	129	125
Mar	145	150	140	132	129	116
Apr p	153	152	133	122	116	115
May p	161	144	136	106	116	117
Jun p	154	140	101	120	113	127
Jul p	147	147	117	156	129	134
Aug p	139	146	101	130	114	129
Sep p	137	150	140	139	140	127

p Provisional.

Productivity and real earnings

Productivity in Britain increased at a slower rate than in most other industrial countries between 1955 and 1973, according to an article on productivity and real earnings in the December issue of the Treasury's *Economic Progress Report*.

Money wages increased at a broadly similar rate to other countries, but unit labour costs and consumer prices increased at a much faster rate in general. At the same time the UK share of world trade declined, and there was a fall in the number of people employed in manufacturing industry.

Carpet industry sales in September

The daily rate of carpet manufacturers' sales by value in September 1977 at current prices was provisionally estimated to have been 7 per cent more than in September 1976 assuming 22 working days in September 1977, and 22 working days in September 1976. In the three months ended September 1977 the daily rate of manufacturers' sales was provisionally estimated to have been 10 per cent more than in the corresponding period 12 months ago, assuming 65 working days in the period ended September 1977 and 65 working days in the period ended September 1976. The index numbers which are of manufacturers' sales by value, have been adjusted for the length of the working month, but not for non-statutory holidays or other seasonal factors. The wholesale price index of carpets is shown as a guide to the movement in prices.

Inquiries: 01-212 0017.

Index of carpet manufacturers' sales

1970 = 100

	Index of manufacturers' sales at current prices	Wholesale price index
1969	93	96.6
1970	100	100.0
1971	115	104.9
1972	135	111.7
1973	166	130.2
1974	179	153.1
1975	202	177.8
1976	234	211.3
1976		
3rd qtr	210	214.5
4th	283	224.0
1977		
1st qtr	260	239.3
2nd	239	249.6
3rd	230	252.3
1976		
June	214	209.6
July	175	210.7
August	193	214.5
September	262	218.4
1977		
June	241	250.4
July	208	250.9
August	201 r	251.9
September	280	254.2

r Revised.

Hosiery and other knitted goods: index of production in September

In the three months ended September 1977 the volume of production of hosiery and other knitted goods, seasonally adjusted (including knitted fabrics), was provisionally estimated to have been 3 per cent more than in the three months ended September 1976.

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent years. The actual figures allow for differences in the length of calendar months, but not for other seasonal variations.

Hosiery and other knitted goods, including warp knitting

1970 = 100

1968	88
1969	98
1970	100
1971	99
1972	99
1973	103
1974	100
1975	96
1976	101

	Actual	Seasonally adjusted
1975		
1st qtr	87	95
2nd	95	96
3rd	94	97
4th	109	97
1976		
1st qtr	90	97
2nd	95	97
3rd	101	105
4th	119	106
1977		
1st qtr	95	103
2nd p	94	96
3rd p	104	108
1976		
January	85	101
February	94	99
March	91	92
April	92	101
May	98	98
June	96	93
July	93	107
August	97	106
September	113	102
October	133	107
November	127	104
December	97	107
1977		
January	93	109
February	97	103
March	95	96
April p	91	99
May p	95	96
June p	95	92
July p	97	112
August p	97	106
September p	118	107

p Provisional.

Inquiries: 01-212 0017 or 01-212 6474.

National food survey: household food consumption in the third quarter

Main results of the national food survey for the third quarter of 1977, summarised in the tables, are estimates derived from records provided by a sample of 1952 households.

Average expenditure on food bought for consumption in the home (excluding sweets and soft drinks) fell by 9p (1.7 per cent) compared with the previous quarter to £5.06 per person per week, equivalent to £15.70 for the average household. Expenditure per head (as well as expenditure per household) varies with the number of adults and the number of children in the family, and for a family with two adults and two children the average was £4.56 per head per week (£18.24 for the whole family).

The decrease in average food expenditure per head – the first recorded between successive quarters since the beginning of 1972 – was mainly due to a fall of 1.4 per cent in the general level of food prices paid by housewives participating in the survey. There was also a fall of 0.4 per cent in the real value of household food purchases per head, but this was more than offset by an increase in the value of self-supplied garden and allotment produce this summer. Such produce, together with other free supplies (eg welfare milk and authorised perquisites) was worth 23p per head per week when valued at the current retail prices, compared with 11p in the previous quarter. In practice, therefore, the total value of food obtained (ie purchases plus all free supplies) increased in real terms by 2.1 per cent over the quarter.

Compared with the third quarter of 1976, average expenditure rose by 56p per head (12.4 per cent) and the average level of food prices by 18.2 per cent, thus implying a fall in the real value of food purchases per head of 5.0 per cent. Over half of this fall was due to reduced purchases of convenience foods. If the value of free supplies had also been taken into consideration, the index of real value would still have shown a decline of 5 per cent over the year.

Consumption of liquid milk was recovering throughout the third quarter from the immediate effect of the price increase introduced on 22 May, but averaged over the quarter as a whole consumption was barely different from the averages for the two previous quarters but still lower than in the previous four years. Average consumption of cheese recovered to 3.87 oz per person per week, most of the increase being in purchases of Cheddar-types. The lower butter prices which resulted from the introduction of the EEC subsidy on 1 May were followed by a small but progressive increase in average consumption throughout the third quarter which, however, was not sufficient to lift the average for the whole quarter to the level of a year previously, when the average price in real terms was seven per cent higher. There was a proportionately greater fall in purchases of margarine between the second and third quarters to 3.06 oz per person per week, nearly the same level as a year earlier, the fall being evenly distributed between soft margarine and other margarine.

Consumption of eggs continued to be slightly below the levels of a year previously.

Although purchases of sugar increased seasonally to 11.76 oz per person per week, the smoothed long-term trend still appears to be downward. There was no significant change in the consumption of preserves.

Household consumption of carcase meat (estimated in table 1 as being the sum of purchases and free supplies) was slightly lower at 15.21 oz per person per week than in the third quarter of 1976, a decrease for beef not being fully offset by the increased purchases of lamb and of pork. These estimates of consumption do not take into account changes in households' stocks, but additional information is now being obtained about quantities put into, and taken out of, domestic deep-freezers. This indicates that households were building up stocks of carcase meat in their deep-freezers both in the third quarter of 1976 and in the corresponding period of 1977, but rather more so in the former period than in the latter. When this is taken into account, actual usage of carcase meat, averaged over *all* households, is estimated to have increased slightly over the year. Over the year, purchases of bacon, sausages and cooked and canned meats fell slightly but consumption of other meat products increased while that of poultry was fully maintained. Average consumption of fresh and processed fish fell further to 2.29 oz per person per week, and compared with a year previously, decreases were also recorded for frozen fish, cooked fish, canned fish and some fish products, but purchases of frozen convenience fish products were fully maintained.

Consumption of fresh green vegetables doubled between the second and third quarters of 1977 and was nearly half as much again as in the third quarter of 1976, when average prices were appreciably higher. These changes were due not only to improved

TABLE 1 Estimates of average household food consumption[1]

oz per person per week[2]

	Year 1975	Year 1976	3rd qtr 1976	2nd qtr 1977	3rd qtr 1977
Liquid milk (pints)	4.76	4.71	4.72	4.54	4.53
Other milk (eq. pints)	0.33	0.34	0.37	0.34	0.35
Cheese	3.79	3.79	3.79	3.75	3.87
Butter	5.63	5.16	4.96	4.51	4.58
Margarine	2.60	3.06	3.12	3.44	3.06
Lard and compound cooking fat	1.97	1.86	1.89	1.77	1.80
Eggs: purchases (number)	3.97	3.93	3.86	3.83	3.70
consumption (number)	4.14	4.08	4.03	4.06	3.98
Preserves	2.43	2.29	2.29	2.33	2.25
Sugar	11.29	12.20	13.08	11.32	11.76
Beef and veal	8.32	7.62	8.03	7.66	7.14
Mutton and lamb	4.25	4.20	4.37	3.85	4.63
Pork	2.73	2.89	3.08	3.10	3.44
Bacon and ham, uncooked	3.99	4.03	4.30	4.37	4.14
Bacon and ham, cooked (including canned)	1.00	0.99	1.13	1.08	1.09
Poultry and cooked chicken	5.73	6.00	6.01	6.50	6.07
Other cooked meat (not canned)	0.59	0.51	0.55	0.49	0.48
Other canned meat	2.21	2.32	2.52	1.92	2.22
Offals	1.15	1.15	0.94	1.13	1.08
Sausages, uncooked	3.22	3.29	3.40	3.53	3.31
Other meat products:					
meat pies and sausage rolls (ready-to-eat)	0.75	0.72	0.81	0.75	0.87
all others (not frozen)	2.21	2.13	2.09	2.34	2.18
Fish, fresh and processed	2.76	2.67	2.76	2.39	2.29
Canned fish	0.66	0.65	0.79	0.60	0.56
Fish and fish products, frozen	1.05	1.26	1.25	1.36	1.15
Fresh green vegetables	11.58	11.40	12.08	8.67	17.50
Tomatoes, fresh	3.87	3.94	6.66	3.66	5.84
Other fresh vegetables	9.92	10.58	10.02	7.42	11.20
Frozen vegetables	3.26	3.24	3.48	4.65	2.57
Canned tomatoes	0.98	1.06	0.99	1.32	1.04
Canned peas	2.76	2.84	2.96	2.86	2.14
Canned beans	3.83	3.99	3.90	4.07	3.59
Potatoes (excluding processed)					
purchases	41.08	31.84	29.69	34.36	33.78
consumption	43.90	35.30	36.39	35.65	42.65
Citrus fruit	4.92	4.73	3.12	5.91	2.83
Bananas	2.87	2.89	3.12	2.97	3.19
Apples	6.77	7.44	7.08	6.55	5.04
All other fresh fruit	2.95	3.25	6.55	2.45	6.86
Canned fruit	3.75	3.56	3.97	3.22	3.25
Dried fruit, nuts and fruit and nut products	1.27	1.42	1.20	0.92	1.08
Flour	5.16	6.02	5.88	6.35	5.90
White bread	27.68	26.43	26.74	26.75	25.14
Brown, wholewheat and wholemeal bread	3.30	3.60	3.75	3.76	3.73
Other bread	2.69	3.14	3.31	3.37	3.40
Buns, scones and teacakes	1.12	1.11	0.92	1.08	0.83
Cakes and pastries	3.12	2.86	3.00	2.92	2.75
Chocolate biscuits	0.95	0.99	0.89	0.95	0.85
Other biscuits	4.64	4.63	4.77	4.82	4.72
Breakfast cereals	3.05	3.25	3.53	3.27	3.39
Oatmeal and oat products	0.50	0.49	0.38	0.40	0.33
Canned milk puddings	1.56	1.53	1.71	1.29	1.27
Tea	2.18	2.21	2.31	1.98	1.84
Instant coffee	0.50	0.51	0.47	0.33	0.33
Canned soups	2.98	3.19	2.47	2.44	2.00
Pickles and sauces	1.71	1.66	1.59	1.62	1.51

[1] Purchases plus 'free' supplies. [2] Except where otherwise stated.
Source: Ministry of Agriculture, Fisheries and Food

commercial supplies but also to increased garden and allotment produce. Supplies of tomatoes, although seasonally improved, were not up to the level of a year previously, but most other fresh vegetables were in rather better supply. Because of these improvements in supplies of fresh vegetables, average purchases of processed vegetables fell to 12.08 oz per person per week compared with 16.83 oz in the previous quarter and 15.43 oz in the third quarter of 1976. The new season's crop of potatoes was greater than that in the two previous years and the average price paid by housewives for potatoes fell to 3.8p per lb in September compared with 10.4p per lb in September 1976. Consumption over the whole quarter averaged over 42 oz per person per week compared with just over 36 oz in the third quarters of 1975 and 1976.

Average consumption of fresh fruit remained at the comparatively low level of 17.91 oz per person per week compared with 19.88 oz in the corresponding period of the previous year; the decrease was mainly due to poor supplies of apples, consumption of which averaged only 5.04 oz (3.65 oz dessert apples, 1.39 oz cooking apples) compared with 7.08 oz a year earlier (5.43 oz dessert apples, 1.64 oz cooking apples). Average prices paid by housewives for dessert apples were 88 per cent higher, and those for cooking apples 47 per cent higher, than in the third quarter of 1976. Purchases of canned fruit at 3.25 oz and of dried fruit at 0.80 oz also were appreciably less than a year earlier, but consumption of fruit juices rose from 1.49 oz to 1.76 oz.

Sales of bread were affected by an industrial dispute for a period of about 10 days in mid-September; purchases in the third quarter averaged 32.27 oz per person per week compared with 33.97 oz a year earlier. In the week before the dispute, average purchases rose to almost 36 oz as consumers stocked up in anticipation of the interruption of supplies, but during the dispute they fell to about 22½ oz. In this latter period, the fall in sales was almost entirely in respect of large white sliced loaves, and there was a marked increase in purchases of unsliced white loaves from those bakers not adversely affected by the dispute. Household purchases of flour, crispbread, oat products, some biscuits and other convenience cereals rose appreciably during this period. Nevertheless, when averaged over the whole quarter, purchases of all these products (except flour) were less than in the third quarter of 1976.

Prices of tea and of instant coffee continued their steep rise and the average price paid by housewives for tea was £1.19 per lb, compared with 93p per lb in the previous quarter and 48p per lb in the third quarter of 1976; the corresponding prices paid for instant coffee were respectively £4.35 per lb, £3.58 per lb and £1.96 per lb. Household purchases of tea fell to a new low average of

TABLE 2 Estimates of average household food expenditure

pence per person per week

	Year 1975	Year 1976	3rd qtr 1976	2nd qtr 1977	3rd qtr 1977
Total household food expenditure	£3.77	£4.41	£4.50	£5.15	£5.06
Liquid milk	30.47	40.80	40.54	47.78	50.18
Other milk	3.59	4.36	4.95	5.06	4.94
Cheese	10.38	12.06	12.11	14.49	15.76
Butter	9.95	12.74	13.17	13.70	13.27
Margarine	3.90	4.67	4.74	6.52	6.18
Lard and compound cooking fat	2.47	2.22	2.25	2.53	2.72
Eggs	12.54	14.04	13.79	15.13	14.98
Preserves	3.56	3.48	3.53	3.86	3.91
Sugar	9.38	8.87	9.42	8.42	8.86
Beef and veal	32.51	35.78	36.70	40.84	38.78
Mutton and lamb	13.12	15.43	16.73	16.78	19.36
Pork	9.61	11.37	11.62	12.57	14.45
Bacon and ham, uncooked	15.58	18.35	19.17	20.06	19.96
Bacon and ham, cooked (including canned)	5.44	6.14	7.26	6.88	7.18
Poultry and cooked chicken	12.24	14.58	15.32	18.68	17.65
Other cooked meat (not canned)	2.64	2.60	2.84	2.60	2.75
Other canned meat	6.18	7.28	8.38	7.15	8.56
Offals	3.22	3.36	2.89	3.58	3.44
Sausages, uncooked	6.92	8.16	8.52	9.46	9.16
Other meat products:					
meat pies and sausage rolls (ready to-eat)	1.81	2.05	2.37	2.39	2.80
all others (not frozen)	6.01	7.01	6.93	8.94	8.69
Fish, fresh and processed	9.58	10.64	11.02	11.90	10.89
Canned fish	2.82	2.80	3.45	3.21	2.97
Fish and fish products, frozen	3.31	4.80	4.73	6.29	5.40

	Year 1975	Year 1976	3rd qtr 1976	2nd qtr 1977	3rd qtr 1977
Total household food expenditure	£3.77	£4.41	£4.50	£5.15	£5.06
Fresh green vegetables	6.32	6.66	6.64	8.92	7.11
Tomatoes, fresh	5.31	5.31	5.83	8.79	7.39
Other fresh vegetables	6.55	7.89	7.20	9.60	7.81
Frozen vegetables	4.25	5.31	5.49	8.88	4.82
Canned tomatoes	0.97	1.00	0.89	1.46	1.12
Canned peas	2.03	2.31	2.40	2.68	2.05
Canned beans	3.14	3.48	3.47	3.82	3.38
Potatoes (excluding processed)	13.64	21.27	17.33	22.69	10.63
Citrus fruit	3.72	4.13	2.90	5.24	3.32
Bananas	2.62	2.86	3.19	3.60	4.01
Apples	5.38	5.75	5.23	7.93	6.54
All other fresh fruit	2.72	3.01	6.31	2.15	8.43
Canned fruit	4.41	4.64	5.32	5.13	5.37
Dried fruit, nuts and fruit and nut products	2.53	2.98	2.53	2.82	3.51
Flour	2.11	2.46	2.42	3.29	3.37
White bread	16.42	17.50	17.86	20.74	20.77
Brown, wholewheat and wholemeal bread	2.47	3.13	3.26	3.78	3.86
Other bread	3.66	4.30	4.53	5.11	5.45
Buns and scones and teacakes	1.85	2.03	1.77	2.52	1.92
Cakes and pastries	7.74	7.85	8.27	8.96	8.80
Chocolate biscuits	3.08	3.48	3.18	3.95	3.81
Other biscuits	8.04	8.53	8.91	10.02	10.33
Breakfast cereals	4.95	5.59	6.14	6.55	7.04
Oatmeal and oat products	0.50	0.53	0.38	0.53	0.43
Canned milk puddings	1.12	1.23	1.41	1.12	1.12
Tea	6.00	7.04	6.97	11.49	13.70
Instant coffee	4.19	5.94	5.70	7.43	9.08
Canned coups	2.62	3.08	2.42	2.80	2.29
Pickles and sauces	2.51	2.80	2.66	3.08	2.95
Other foods	29.26	35.28	36.78	31.69	42.50

TABLE 3 Nutritional value of household food as a percentage of recommended intakes[1] [2]

	National averages					Households with four or more children			
	Year 1975	Year 1976	3rd qtr 1976	2nd qtr 1977	3rd qtr 1977	Year 1975	Year 1976	Averages of the July-September quarters in the three most recent years	Averages for year ended September 1977
Energy	96	95	97	93	92	88	91	88	86
Protein	120	121	123	124	122	106	109	105	106
Calcium	186	184	186	183	182	155	160	152	155
Iron	105	103	104	97	98	91	92	88	86
Thiamin	122	122	126	129	131	121	123	122	120
Riboflavin	126	126	127	126	127	124	126	119	119
Nicotinic acid equivalent	185	184	188	182	184	177	176	170	164
Vitamin C	177	166	200	167	217	154	138	178	137
Vitamin A (retinol equivalent)	198	212	197	201	195	183	204	168	187
Vitamin D [3]	82	83	87	82	79	65	70	69	69

[1] Department of Health and Social Security. *Recommended Intakes of Nutrients for the United Kingdom.* Reports on Public Health and Medical Subjects, No. 120, HMSO, 1969.
[2] All values make allowance for wastage in the home of 10 per cent of the edible portion of food bought, and for expected losses of nutrients during cooking. [3] The survey does not evaluate welfare and pharmaceutical sources of this (or any other) vitamin. Furthermore, most adults need no dietary vitamin D, since they obtain all they need from the action of sunlight on the skin.

1.84 oz per person per week, compared with 2.31 oz a year earlier, and purchases of instant coffee were again 0.33 oz compared, however, with 0.47 oz a year earlier.

The decreased purchases of many staple foods were offset to such an extent by increases in others that the overall nutritional value of the diet was little different from that in the previous quarter. The most notable exception was vitamin C, which reached its highest level since 1974 because of the recovery in potato consumption and the large amounts of fresh vegetables obtained.

There was some decrease in the nutrient intake from the foods obtained by families with four or more children (table 3), but the Department of Health and Social Security continues to advise that, because of the contribution made by foods excluded from the national food survey, and the safety margin in most of the recommended intakes, there is no cause for disquiet.

The national food survey, conducted on behalf of the Ministry of Agriculture, Fisheries and Food, is a continuous sampling inquiry into the domestic food consumption, expenditure and nutrition of private households in Great Britain. By obtaining information simultaneously about the quantities, cost and varieties of food purchased by a random sample of housewives, the survey enables comparisons to be made of dietary and food expenditure patterns and of average prices actually paid for food, not only in Great Britain as a whole but also by different kinds of households. Detailed reports are published annually. The latest volume, published on 15 November 1977, gave information on household food consumption and expenditure in 1976.

Inquiries: 01-839 7711 ext. 204.

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 16 December 1977.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
BRITISH					
Movietone News 2532	BR/E 39199/18/12/82	8	16 December	British Movietonews Ltd	British Movietonews Ltd
COMMUNITY					
Hard To Remember	EC 39418/18/12/82	81	12 December	Cinecenta Film Distributors Ltd	City Film GmbH, Berlin
FOREIGN					
The Deep	F 39419	123	14 December	Columbia-Warner Distributors Ltd	Casablanca Film-work, Inc, California
Greased Lightning	F 39420	96	14 December	Columbia-Warner Distributors Ltd	Third World Cinema Productions Inc, New York
67 Days	F 39421	118	15 December	Gala Film Distributors Ltd	Inex Film Production, Belgrade
She's Too Hot To Handle	F 39422	74	16 December	New Realm Distributors Ltd	Derio Productions, USA
Further Confessions of a Sixth Form Girl	F 39423	71	16 December	New Realm Distributors Ltd	Rapid Films, Munich

Cinema admissions and takings in September

During September, counted as a five-week period, the weekly average of admissions to cinemas in Great Britain was 2.27 million and the weekly average of gross box office takings was £1.96 million. The comparable figures for September 1976 were 2.10 million and £1.60 million.

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